Daily Report

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FBIS-SOV-91-210 *30 October 1991*

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NOTICE TO READERS: The United States Government recognizes the independence of Estonia, Latvia, and Lithuania.

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Arms Control & Disarmament

Karpov Meets French Official on Disarmament

LD2310181291 Moscow TASS International Service in Russian 1540 GMT 22 Oct 91

[Text] Moscow, 22 Oct (TASS)—Disarmament consultations in the framework of Soviet-French political dialogue took place in the Soviet capital 21-22 October. USSR Deputy Foreign Minister Viktor Karpov and F. Guelui, head of the department for strategic problems and disarmament at the French Foreign Ministry, participated.

As reported at the USSR Foreign Ministry information directorate, a broad range of problems relating to arms limitation and prospects for forming a new European security system were discussed. F. Gueluis was briefed on the USSR's approaches to implementing recent initiatives put forward by George Bush and Mikhail Gorbachev on reducing nuclear weapons.

Worldwide Issues

Further on Gorbachev's Madrid Visit, Talks

PRAVDA Previews Bush Talks

PM2910124391 Moscow PRAVDA in Russian 29 Oct 91 p 4

[Correspondent V. Gan report: "Bush Is Ready To Discuss Everything That Gorbachev Is Ready To Discuss"]

[Text] Washington, 28 Oct—The importance attached to the forthcoming Madrid "mini-summit" in the U.S. capital is equal to that attaching to the event which, in political terms, could provide an historic breakthrough for the most unstable region.

Your correspondent was told by high-ranking White House representatives that President G. Bush and his senior advisers have spent the last few days hammering out details of the U.S. reply to the nuclear disarmament proposals put forward by Mikhail Gorbachev.

The U.S. President has already publicly declared that he would be "sufficiently flexible" when discussing everything that the Soviet president "has in mind." "I will be prepared to discuss the nuclear arms problems. I will be prepared to discuss the situation in their economy and in ours. I will be prepared to discuss everything that interests him," Bush said.

Judging by what is publicly announced here day by day, however, the administration still lacks consensus as regards certain problems. U.S. Secretary of Defense R. Cheney, for example, declared that "firm decisions" have not yet been made on a series of key questions, including Gorbachev's proposal to cease producing fissile materials for military purposes. He also said that, although he understands the motivation behind the Soviet proposals for a year's moratorium on nuclear tests, the United States "must" carry on such tests in order "to be confident of its nuclear arsenal's reliability." "I know," the Pentagon chief said, "that the Soviets have always been in favor of a moratorium. But their problem lies elsewhere—in the environment. They have never succeeded in achieving as good results as ours in test safety."

There are arguments against Cheney's views, trying to prove that the United States must display flexibility. R. Burt, former leader of the U.S. delegation to the arms control talks, in particular believes that the question of nuclear tests is no longer of such fundamental importance, seeing that "nuclear arms are not as important for U.S. security as they used to be."

To borrow an expression from our old propaganda stock, Cheney could certainly be dubbed a "hawk." On the other hand, however, what should a superpower's defense minister worry about if not its security?

Nonetheless, a major conflict has now developed between him and Brent Scowcroft, the U.S. President's assistant for national security, as to how to reply to the Soviet proposals. It is primarily a question of how to effectively answer Gorbachev's proposals and whether it is worth going beyond the Bush initiative's framework. It is admitted that the White House has still not said anything on the essence of the Soviet steps. For example, last week Cheney blocked a White House statement approving the Soviet proposal to cease producing fissile materials.

U.S. officials have said that, in their opinion, Gorbachev will "pressure" Bush to make him accept all of Moscow's proposals. Let us wait and see what will actually happen. Will our country gain anything from the general U.S. assurances of good will and readiness to loosen its purse strings? There is talk about intentions to give us aid. In the form of credits and physical deliveries. Is this realistic?

Incidentally, Bush's current positions leave much to be desired. He still remains one of the most popular presidents in U.S. history this century. But, according to a Gallup Institute poll conducted for NEWSWEEK, the President's popularity has dropped from 65 percent to 55 percent over the last two weeks. The main reason is the situation in the economy which is simply unable to pull out of decline. A decline which would be the height of prosperity for our country, if we were to compare it with the current state of affairs in our ailing Union.

It is said on the banks of the Potomac that the President's Madrid meetings will provide yet another foreign policy triumph for the U.S. President. But the problem is that Americans as a whole could not care less. The organizers of a joint opinion poll commissioned by THE NEW YORK TIMES and CBS-TV have only just announced that only 33 percent of Americans approve of Bush's activity in the economic sphere—the lowest

figure since J. Carter's times. Three out of every five Americans—58 percent—believe that he devotes too much time to foreign policy. And the majority prefer the opposition Democrats as regards the probability of U.S. economic recovery. Thus, observers have reasons to declare that Bush's successes overseas could have a negative impact on the election campaign now beginning in the country.

Meeting With Bush Begins 29 Oct

LD2910225191 Moscow Russian Television Network in Russian 2100 GMT 29 Oct 91

[From the "Vesti" newscast]

[Text] President Bush's arrival in Madrid and his meeting with Mikhail Gorbachev is the top news today. Sergey Dorenko reports that the meeting started with dinner at the Soviet Embassy. They spoke about the conference that is opening tomorrow, as well as about the situation in the USSR and the prospects for Western aid to our country.

[Dorenko] The Gorbachev-Bush meeting today is the main topic of the day in Madrid. The meeting lasted almost 2 and ½ hours and mostly concerned our internal difficulties. Gorbachev complained about life, but tried to persuade Bush that the chaos in the Union has been stopped and that concord on fundamental issues reigns among republican leaders. Having listened to the remarks about the economic reforms in preparation, the American felt compassion but did not become sentimental. He promised aid but nothing specific, only in general. The words—food and medicines—were said, but only experts will decide how much, when, and to whom. The answers to questons on tomorrow's Near East conference were noncommital, too. Both presidents were afraid to scare off the touchy Arabs and Jews ahead of time and preferred to avoid acute problems. However, Gorbachev said that we will carry out our role of offering good offices. The role of a person giving good offices suits the Union president perfectly for the time being. In any case, Bush was quite satisfied with the fact that the former adversary shows full agreement with the U.S. line and has even come to Madrid for this purpose.

There were several issues which the presidents preferred to pass over in silence, but we have learned from sources close to Gorbachev that the Union president was prepared to tell Bush that the Union is freezing work on certain new kinds of arms. Also, Gorbachev intended proposing to Bush that the issue of the conflict in Yugoslavia be submitted to the UN Security Council in order to take collective measures, as in the case of the Persian Gulf. If the Americans respond, such measures could prove efficient.

Further on Meeting

PM3010115091 Moscow KOMSOMOLSKAYA PRAVDA in Russian 30 Oct 91 p 3

[Special correspondent A. Shumilin report, including account of 29 October news conference by Presidents Bush and Gorbachev in Madrid: "Madrid: Presidents Discuss Their Own Affairs on the Eve of the Long-Awaited Near East Peace Conference"]

[Excerpt] Madrid—[Passage omitted] The main event yesterday was the meeting between the U.S. and Soviet presidents, who had come to Madrid for the opening of the conference. The main topic at their prolonged lunch in the Soviet Embassy was not so much the conference as our domestic affairs and problems. According to M. Gorbachev, Bush showed understanding of the present situation in our country and the urgency of problems relating to the start of profound economic reforms. But Bush did not formulate any corresponding concrete measures in terms of possible aid. Apparently the U.S. Administration is also in no hurry to define its position on the question: To whom should aid be given—the center, or the republics? However, the Spanish and other European newspapers are inclined to think that the meeting with Bush could strengthen the domestic political position of the Soviet president, who, since the August events, has again emerged in the world arena, although with rather smaller reserves of confidence in him.

Concluding the news conference, both presidents reaffirmed their intention to promote success at the forthcoming talks between the sides in the Arab-Israeli conflict. The conference is to be held in three phases. First, the four-day opening procedure, during which all the participants will set forth their position; second, bilateral talks by Israel with Syria, Lebanon, and the joint Jordanian-Palestinian delegation; third—a multilateral meeting to resolve a number of regional problems, such as the distribution of water resources, disarmament, economic development, and environmental conservation. Will the talks reach phase three? No one is sure. But it seems they have begun.

Reach Agreement on Armaments

LD3010094391 Moscow TASS in English 0851 GMT 30 Oct 91

[Text] Madrid October 30 TASS—The Soviet Union and the United States have come to an agreement to create a mechanism, "permitting to discuss problems" pertaining to armaments "on a permanent basis," and also to "keep each other informed and clear up emerging issues," said Soviet President Mikhail Gorbachev during a joint press conference with President of the USA George Bush yesterday after their summit meeting.

Gorbachev also said agreement was achieved to institute two working groups which will discuss "strategic stability and its prospects."

Bush said they had a good exchange on nuclear reduction and the two men both want to go forward with ratification of arms control treaties covering long-range nuclear weapons and conventional forces in Europe.

Gives Joint News Conference

LD2910145191 Moscow TASS International Service in Russian 1427 GMT 29 Oct 91

[By unidentified TASS special correspondent]

[Text] Madrid, 29 Oct (TASS)—A joint news conference by USSR President Mikhail Gorbachev and U.S. President George Bush has started here at the end of the Soviet-U.S. summit. The leaders of the two countries made statements.

The presidents expressed satisfaction with the results of their conversations. Gorbachev stressed in particular that there were "substantial talks" about a wide range of problems. He said that the main part of the meeting was devoted to the current situation in the USSR.

The Soviet president also expressed his satisfaction with the position of the U.S. President and noted that the negotiations that took place will help the consolidation of Soviet-U.S. relations.

Touching on the problem of the Near East settlement, Gorbachev and Bush emphasized their hope of surmounting difficulties in the process of establishing peace. They noted the significance of the peace conference on the Middle East, which opens in Madrid tomorrow.

More on News Conference

LD2910183591 Moscow Central Television First Program Network in Russian 1625 GMT 29 Oct 91

[News conference by USSR President Mikhail Gorbachev and U.S. President George Bush in Madrid on 29 October; Bush in English with superimposed Russian translation—recorded]

[Excerpts] [Bush] [Passage omitted] I consider that this has been yet another very good meeting with the president.

[Gorbachev] I join in what has been said by President Bush and want to add just a few words for my own part. We agreed to this meeting because it is a convenient occasion on which to check our watches and discuss what is of mutual interest to the Soviet Union and to the United States.

Yes, we did indeed begin with the fact that efforts over many years, including joint efforts by the United States and the Soviet Union recently, have led to the opening tomorrow of the conference, a long awaited forum. And let us hope, with everything that will be encountered as the talks progress within the framework of this conference, that it will nevertheless end with a positive result.

At any rate, the President and I have agreed that when we have opened the conference and left Madrid we certainly have no intention of standing aside from this process but will assist it in every way using all the possibilities that we have at our disposal. I believe that all the participants in the conference—and we would like to address them now and we will mention this tomorrow—will display responsibility and understanding of what is beginning within the framework of this Madrid conference and that their attitude will be a constructive one.

We also have spoken a great deal, insofar as it was my intention to put some questions to the President taking into account our internal situation and taking into account the fact that the President and the secretary of state had many questions that they asked in order to find out about the situation in which we now find ourselves and to obtain more precise information and what problems we are tackling. That took up a lot of time, perhaps the main part of our meeting. I am satisfied with the position that was demonstrated and taken by the President of the United States. And I hope that I have every reason to say that this is one more step toward deepening mutual understanding, cooperation at the stage of profound changes that are taking place in the Soviet Union.

Finally, we exchanged mutual information regarding what the sides are doing within the framework of initiatives on disarmament. The President and I highly evaluated this new method of resolving such burning problems which sometimes took 10 or even more years. Now we have approached on the basis... [changes thought] relying on everything that has been accumulated in the past few years, including in our relations, both with the United States and with the Soviet Union and between the governments of both countries, in order to go over to such a method of resolving problems. At any rate we thought of meeting in this way, informally, to have a talk, perhaps without especially overburdening ourselves, inasmuch as the object of this arrival was to open the conference, but the outcome was a very long conversation and a very important one, and I think it will be useful for both sides.

[Soviet Central Television correspondent] Hello, Central Television. You have just talked of disarmament. To what extent are the disarmament schedules submitted by the U.S. and the Soviet sides in line with each other? In short, how are we lagging behind?

[Bush] [Passage omitted]

[Gorbachev] I must reaffirm what President Bush has said: There is no reason to worry at all that large-scale differences may emerge in the process of implementing the enterprising measures that have been announced. I think that this is very important and that it is already a sign of responsibility and thoroughness.

Second, I reaffirm what was said: We have agreed on the workings of the mechanism that will make it possible, at all times, to discuss problems, keep each other abreast of

what is taking place, and explain the questions that will emerge. Apart from that, we have agreed that two groups will be set up. They will examine issues of strategic stability and will also take a long-term view, so we shall be dealing with these issues as well and will look to the future.

[AP Correspondent Adams, in English with superimposed Russian translation] Terry Adams, ASSOCIATED PRESS. Mr. President, did you tell President Gorbachev that you would give additional assistance to the Soviet Union? Do you think that Western countries ought not to give, or refrain from giving aid to those republics that have no wish to form part of the Soviet Union?

[Bush] [Passage omitted] And President Gorbachev has clarified a lot for me. What was your point on the Ukraine?

[Unidentified correspondent] The Ukraine has said that it would not like to cooperate in the field of the economy. It also mentioned dual control of nuclear arms.

[Bush] [Passage omitted]

[Gorbachev] For a long time now, President Bush and I have been engaged in a dialogue on cooperation at this very difficult stage of reforms at which the Soviet Union finds itself. I must say that notwithstanding the thorough, principled, and what at times may well be the sharp nature of the discussions, we invariably encounter on the part of the President and the U.S. Administration an understanding of the need to broaden and deepen this cooperation.

Today we discussed this self-same problem in the context of the fact that representatives of the G-7, deputy finance ministers, are meeting in the Soviet Union, discussing, incidentally, all these specific problems. The concrete result is that 12 republics took part in the meeting and all 12 signed a memorandum that confirms the joint responsibility concerning debts and foreign obligations and it confirms the pledge on debt servicing of all the 12 republics, and on behalf of all 12 republics they authorized the Vneshekonombank [Bank for Foreign Economic Activity] to conduct these affairs. This was very important, inasmuch as the question of the position regarding republican debts and who to deal with always cropped up. So, it is a very important question which at first sight seems to be only of a technical nature, as it were, but, in actual fact, it elucidates whether currently there is consensus among the republics and whether there will there be consensus in the future. So, 12 republics signed this memorandum.

Regarding the Ukraine, very recently—two days ago, it seems it was on Friday morning—I had a conversation with Fokin, the Ukrainian prime minister. During the conversation, he told me that the Ukraine, following a decision by the Supreme Soviet, when he had put forward its program and among the many points there was this point on the joining, joining the economic treaty without fail, this program did, in the end, meet with support: 270 or 284 people voted for the position proposed by the Ukrainian prime minister and 39 voted against. This made it thus possible for him to state to us, already on the basis of the Supreme Soviet's view, that he will sign—maybe it has already been signed, I am away—but it should be signed any day now, so from this point of view, too, your worries have been clarified.

And finally, going back to the present conversation, I thought it was necessary to make the President aware of the main thought. We have now reached and we are starting, we have already started, taking real steps toward the market, including steps toward stabilization of finance, steps toward price liberalization, steps toward tightening the entire financial order of the country. Expenses ought to be placed under stricter control. Incentives for making more profits ought to be given. In other words, that real process which should help us move toward the market is starting to take shape. And of course, this puts all society into a complicated situation. And now it is exactly that particular moment when we are especially sensitive to our partners' reaction to our affairs. We had a detailed conversation. And we agreed to continue it by listening to—me in Moscow, and the President in Washington—the participants of the Moscow conference within the framework of the G-7. And then we will return to all these issues in order to find specific solutions to them.

[Unidentified correspondent, in English with superimposed Russian translation] A question to both presidents regarding the Madrid conference: In your view, are their feasible ways of settling the Middle East problem if one does not insist on the peace-for-land principle? You have brought the Middle East partners to the table—what will be your role now? What will you do now?

[Bush] When it was a question of invitation to the conference, we spoke about Resolutions 242 and 338. The U.S. position and the Soviet position are well known. But the important thing here is to bring partners to the same negotiating table. But neither the Soviet Union nor the United States want to impose peace upon others. The partners themselves—Arab countries and Israel—should agree upon that between themselves. [passage omitted]

[Gorbachev] I must say that President Bush announced our approach here which we have decided to follow and adhere to. I think that this is a correct approach, since it shows respect for the participants in the negotiating process. These meetings are very difficult and everyone will have to do quite a lot of work in order, nevertheless, to reach a positive result. But this does not mean, as I have already said and want to repeat again—and this applies to us—that we will simply stand aside and that it is all the same to us how this process proceeds. No. We will implement our good services role, but everything else must be agreed, using what we all have at our disposal today: a new climate in international relations and a new situation in relations between leading powers, first of all cooperation with the United States, among

others, and the restoration of diplomatic relations between the Soviet Union and Israel—making use of everything that has emerged in order to fit keys to these difficult, chronic problems and to find such a solution for them as would satisfy the interests of everyone. Probably one cannnot do without a balance, without taking into account mutual interests, here. That is why the President let you in on the approach that we agreed to and that we intend to adhere to.

[Bush] Thank you. [passage omitted]

TASS Reports News Conference

LD3010142991 Moscow TASS International Service in Russian 1839 GMT 29 Oct 91

[News conference by USSR President Mikhail Gorbachev and U.S. President George Bush in Madrid on 29 October]

[Text] Madrid, 29 Oct (TASS)—After completing their talks, U.S. President George Bush and USSR President M.S. Gorbachev spoke at a joint news conference.

Opening the conference, Bush said:

Very briefly I would like to thank Mr. Gorbachev. We have had yet another very constructive meeting. We are here, of course, in connection with the international Near East conference and I am very grateful to President Gorbachev for the very constructive role which the Soviet Union has played in the actions which have preceded the conference's preparation. We are glad of this. We have also discussed some bilateral issues, including the USSR situation, the dynamic changes taking place there, the adherence to the reform process which is still extremely strong. I am able to say that I have had an excellent meeting with the president.

Then M.S. Gorbachev spoke:

Joining in what has been said by President Bush, I want to add just a few words of my own. This meeting is a convenient occasion on which to check our watches and talk about what is of mutual interest for the Soviet Union and the U.S. We began with the fact that efforts over many years, including joint U.S.-USSR efforts in recent times, have led to tomorrow's opening of the conference, a long awaited forum: and let's hope, with everything that will be encountered as the talks progress within the framework of this conference, that it will nevertheless end with a positive result. At any rate, the President and I have agreed that when we have opened the conference and left Madrid we certainly have no intention of standing back from this process, but will assist in every way using all the possibilities that we have at our disposal. I believe that all the conference participants will also display responsibility and understanding of the importance of what is beginning within the framework of this Madrid conference and that their attitude will be a constructive one.

Then we have spoken a great deal—in so far as it was my intention to put some questions to the President taking into account our internal situation and the fact that the President and the secretary of state had a lot of questions which they asked in order to find out about the situation and obtain more precise information about the problems we are tackling. That took up a lot of time, perhaps the main part of our meeting. I am satisfied with the U.S. President's position and hope that this is yet another step towards deepening mutual understanding and cooperation at the stage of deep changes taking place in the Soviet Union. We exchanged information about actions within the framework of disarmament initiatives. The President and I valued highly this new means of resolving burning problems upon which sometimes 10, and sometimes more, years have been spent. We are now tackling them by relying upon everything that has been built up in recent years in our relations.

We thought we would have a short meeting because the reason for coming here is the opening of the conference. But in the end we had a long and very important discussion. And I think that it will be useful for both sides.

A question from Central Television to President Bush and to President Gorbachev:

You have just talked of disarmament. To what extent are the disarmament schedules submitted by the U.S. and Soviet sides in line with each other? In short, which one is lagging behind?

G. Bush: We have made a number of proposals. President Gorbachev instantaneously responded positively to our proposals and then made a number of additional proposals. And after analysing his proposals and after his analysis of our proposals, our programs are very close. Today we agreed to continue discussion about practical steps in this area. We had a good exchange of opinions over the whole range of issues concerning nuclear arms reduction and nuclear safety. It seems to me, from the U.S. viewpoint, that these schedules as you have called them are very close. Now we need to work out the details, to have further discussions. Our leading experts will discuss with the Soviet side the question of additional steps we could agree on. I think that we all want to move quickly forward to ratification of the treaty on strategic offensive weapons and on conventional weapons.

M.S. Gorbachev: I can confirm what President Bush has said—neither side has any reason to worry over the fact that large-scale differences may emerge in the process of implementing the measures that have been announced. I think that this is very important and that it is already a sign of responsibility and thoroughness. Second, we have agreed on the workings of the mechanism which will make it possible, at all times, to discuss problems, keep each other abreast of what is taking place and explain the questions that will emerge. Apart from that, we have

agreed that two groups will be set up. They will examine issues of strategic stability and will also take a long-term view.

A question from the ASSOCIATED PRESS agency: Mr. Bush, when you touched with President Gorbachev upon the question of giving additional aid to the Soviet Union, did you mention the fact that such help must be offered to those republics which do not agree to join the new Union? In particular this concerns the Ukraine, did you discuss the question of Western aid to the Ukraine?

G. Bush: We discussed many issues which relate to the republics. And we are still very careful in our approach to changes which are taking place. I asked for a certain clarification from President Gorbachev on this. We spent quite a long time discussing the question of what can be done in response to his request for economic assistance. This also embraces the republics. There is no specific agreement on specific amounts of aid. But we did have good discussion of the request for aid. When it is a question of U.S. aid in the form of foodstuffs and medicines we would indeed like to provide such help to the Soviet Union. For our part, we are also very interested in promoting the continuation of these reforms. We have discussed this widely. But we have not agreed any specific matters. We will have to talk to our representatives who took part in the Moscow G-7 meeting, and then we will continue discussion of this question with Mr. Gorbachev.

A question from AP: And if the Ukraine refuses to cooperate on economic and military issues?

G. Bush: All the same, I think that President Gorbachev is counting on cooperation from them, but I would put this question to him.

M.S. Gorbachev: I am already used to answering difficult questions and, therefore, I agree to answer that part of your question, too. Yes, for a long time now President Bush and I have been engaged in a dialogue on cooperation at this very difficult stage of our reforms. Notwithstanding the thorough, principled, and what at times may well be a sharp nature of discussions, we invariably encounter on the part of the President and the U.S. Administration an understanding of the necessity for broadening and deepening this cooperation.

Today, we also discussed this problem in the context of the fact that G-7 representatives are meeting in the Soviet Union, discussing, incidentally, all these specific problems. Twelve republics took part in the meeting, and all 12 signed a memorandum which confirms joint and several liability for debts and foreign obligations and obligations for securing the debt. They authorized the Vneshekonombank to conduct these affairs on behalf of all twelve republics. This was all very important, inasmuch as the question has always arisen of what is the position of the republics with regard to the debts, with whom should one deal. This very important question which only at first sight seems to be of a technical nature, as it were, in actual fact it elucidates whether there is consensus among the republics at present and will there be consensus in the future.

As for the Ukraine, a few days ago I had a conversation with Ukrainian Prime Minister Fokin, and he told me that the Ukraine, following a Supreme Soviet decision, when he had put forward his program and it included, among many points, this point on joining the economic treaty without fail. This program did, in the end, meet with support. This made it possible for him to state to us, already on the basis of the Supreme Soviet's view, that the treaty will be signed by the Ukraine. I thought it was necessary to make the President aware of the main thought: we have already started taking real steps towards price liberalization, we are striving to tighten up the whole financial order in the country, to place expenditure under stricter control, and to provide incentives for getting new incomes. That is to say, the very process, the real process which is to move us towards the market, is starting. And of course, this puts the whole of society into a complicated situation. And now is exactly the moment when we are especially sensitive to our partners' reaction to our affairs. We had a detailed conversation, and we agreed to continue it having listened to the conference participants of the G-7 representatives in Moscow, and then return to all these issues in order to find specific solutions to them.

A question from IZVESTIYA newspaper: I have a question to both presidents. Mikhail Sergeyevich, this is your first foreign trip following the introduction of the new state structures. I have in mind the fact that you do not now have a vice president. It would be interesting to find out who is now standing in for you in Moscow. And a question for the U.S. President. Mr. Bush, you already have considerable experience on conducting talks with President Gorbachev. Please tell us whether you felt any difference between the course of the talks now, that is to say following the unfortunate August events in the USSR, and the way talks were held before that?

M.S. Gorbachev: My answer will be brief, because the question has been clearly put. No one is standing in for me, I am carrying out my duties. Am I more calm now than was the case before? Neither then, nor now do I lose my spiritual equilibrium. I am confident that everything we do is essential and I will do everything that is in my power. No one will succeed in deflecting me from this path, the choice has been made.

G. Bush: Let me answer the second part of the question. In the past I have had very satisfactory talks with President Gorbachev. In the second place, when the attempt to stage a coup d'etat took place in the USSR we came out against it. In the third place, I feel no difference between the previous talks and the present talks in terms of the sincerity with which we exchanged views. There is no difference, in any case from my point of view, as far as the extent of respect for President Gorbachev is concerned. We in the United States watch with admiration and acute interest the development of events in the

Soviet Union, the progress towards reforms, which is full of drama. I do not consider it necessary to react in fine detail to every aspect of the changes in the Soviet Union. My task is to continue talks with President Gorbachev. And he shows the necessary understanding, especially as regards our contacts with the representatives of republics. We are watching what is taking place there. I am very happy to meet my friend again and to have very fruitful talks with him, talks which have not in any degree been influenced by the tragic events in August.

A question from the UPI agency: In the context of the Madrid conference, is a lasting and equitable peace in the Near East possible without a "conquered land for peace" deal? You have brought the sides to the negotiating table, having proclaimed the "hands off" principle. Does this mean that the "sponsors" will not interfere in the course of the conference?

G. Bush: When it was a question of invitations to the conference, we spoke about Resolutions 242 and 338. The U.S. position and the Soviet position are well known. But the important thing here is to bring partners to the same negotiating table. If either the Soviet Union or the United States tried to impose a settlement, it would be a path precisely at variance with this task. In other words, let the sides come to a settlement themselves. As for us, the Soviet and U.S. sides, we are always here, at their service. When I leave Madrid tomorrow, U.S. Secretary of State Baker will remain here representing our side. We are not here to impose a settlement but act as kind of a catalyst. I think that the worst thing we can do is to emphasize our positions to such an extent that each side would be disappointed even before the start of the talks between them. This meeting is a historic one, if only because it is the first time the sides have assembled together at a negotiating table. That is why it is no part of my intentions to attempt to impose a settlement or to go back to a period of differences and to restate the U.S. side's arguments yet again. We are interested in Israel and its neighbors sitting down at the negotiating table to hold the multilateral talks and subsequently to make headway by holding bilateral talks.

M.S. Gorbachev: President Bush has presented the approach to which we have decided to adhere. I think that this is a correct approach, since it shows respect for the participants in the negotiating process of a very difficult meeting where everyone will have to do quite a lot of work in order, nevertheless, to reach a positive finale. But this does not mean, and this is the essence of our approach, we will simply stand on the sidelines and that it is all the same to us how this process will proceed. No! We will implement our "good offices" role. But all the others must come to agreement, using the new climate in international relations and the new situation in relations between leading powers, first of all the cooperation between the United States and the Soviet Union, and the restoration of diplomatic relations between the Soviet Union and Israel. All the opportunities must be utilized, in order to find the keys to these difficult, chronic problems and to find a solution for them such as would satisfy the interests of everyone. We cannot do without a balance here, without taking into account mutual interests.

A question from an unidentified correspondent: In light of Syria's refusal so far to negotiate even if Israel withdraws from the territories, do you consider that the sides at the multilateral negotiations will be able to reach some agreement?

G. Bush: The U.S. has its historical position and the Soviet side has its historical position. Now, when both these sides are working together—and the majority used to think that that would never happen—it would be counterproductive on my part, I repeat it once again, to put forward conditions and to set out ways of resolving these issues from the U.S. position. I simply do not intend to do that. This is too delicate a time for doing that. Let the sides begin the talks between themselves and I do not want to give anyone grounds for leaving the negotiations or for putting forward additional demands merely because I have said something. So don't take it as disrespectful on my part but I won't answer your question in the detail you would like to hear from me.

M.S. Gorbachev: A lot of acute problems were raised during the preliminary work in preparing for this conference. Let's open the conference and work. I think that the sides will only gain if they are principled and constructive. Everyone has real concerns. But we are not going to substitute for the process of negotiations which will take place within the framework of the conference.

A question from Russian Television: Back to the question which was discussed today—economic assistance and credits. The U.S. has said repeatedly that it would like to deal in the first place with the center but data was published recently about the fact that when we were being given Western credits, a part of these resources was transferred to foreign currency enterprises linked with overseas Communist Parties. Did not that fact have any influence upon the U.S. position? And will the U.S. cooperate more actively and directly with the republics, with Russia, for example?

G. Bush: It seems I have already touched on this question. Naturally, today, having met here, we are conducting talks with President Gorbachev. I have maintained contact with President Yeltsin. You have asked specifically about the Russian Republic. But where a question that implies credit negotiations and humanitarian assistance is concerned, it is important for the U.S. to be convinced that the center and the republics are unanimous in their approach to this problem. We do not, however, have plans to change our relations with President Gorbachev, or President Yeltsin, or the leaders of other republics. I have a feeling that they both understand that. Maybe this reply sounded somewhat hazy, but it seems to me that it should not be made more specific than that. I think that in the conditions of the economic treaty, as President Gorbachev explained to me today, the republics have now become much closer to

the center than before as far as economic issues are concerned. It makes it significantly easier for the United States, or the "Big Seven," or other countries that sincerely strive to assist the reform process to carry out this task.

A question from CNN: I am not quite clear whether you, Mr. Gorbachev, have made specific assistance requests. And you, Mr. Bush, mentioned some "package" of proposals—do they have anything new compared with what we already know? You would help us very much if you answered in more specific terms.

M.S. Gorbachev: If you take into account the fact that I, and the G-7 leaders, have recently been exchanging information on a regular basis, then the President was aware of many questions. At the same time, and on the basis of this information and our appeals, the U.S. President and other leaders alike have been issuing instructions to the G-7 representatives who were discussing this whole financial part of cooperation and interaction. They have fairly thoroughly discussed the real situation, arrived at a common understanding which is very important in order to make decisions, formulated their positions and these positions will be reported to the heads of states. A political decision is now needed. I do not think that this exhausts everything; it may well be that one will have to go back to these questions on more than one occasion. Life throws up quite a few problems. In any case, I value the fact that cooperation is under way. It is a fruitful, concrete, and businesslike cooperation which promises to yield results.

G. Bush: In the main I would also reply to this question in the same vein. As you have heard, President Gorbachev used the word "concrete." I would say that currently we are at a stage of discussing details which, naturally, presuppose the specifics. But I support what President Gorbachev has said about the necessity of further work and mutual consultations on this problem, proceeding from the economic positions of each of the sides. So, concrete details are now under discussion and we will, as has been said, make progress.

Meeting Held in 'Constructive Spirit'

LD2910212791 Moscow TASS in English 2011 GMT 29 Oct 91

[By TASS military writer Vladimir Bogachev]

[Text] Moscow October 29 TASS—The Madrid meeting between Mikhail Gorbachev and George Bush, the possible results of which were the subject of all kinds of conjecture, was held in a constructive spirit and demonstrated the proximity of Soviet and U.S. positions on a number of problems, including nuclear disarmament and security. This is evidenced by the two presidents' statements at a joint news conference after the talks.

The Soviet president emphasised the effectiveness of a new approach to disarmament which was based on recent unilateral decisions by the two countries to cut military arsenals. The new, one can say without exaggeration revolutionary, approach, in particular, makes it possible to speed up of the solution of the arms control problem which used to take years to solve in the past.

The U.S. President noted that Mikhail Gorbachev replied to his initiatives, namely U.S. measures to cut the level of military opposition, with Soviet initiatives in this field. According to Bush, the possibility of further cuts in the two countries' nuclear weapons is quite feasible.

It transpires from the presidents' statements that they have agreed on creating a mechanism to fulfil the disarmament initiatives of the two countries, to discuss and solve related problems. In particular, two groups will be set up to deal with the problems of strategic stability and prospects for its maintenance.

One can conclude that the brief Soviet-U.S. summit in Madrid was a success and brought practical results on the way towards strengthening stability in relations between the two countries.

Grachev Holds Briefing on Talks

LD3010095491 Moscow TASS in English 0917 GMT 30 Oct 91

[By unidentified TASS special correspondent]

[Text] Madrid October 30 TASS—Andrey Grachev, the Soviet president's press secretary, arranged a briefing here on Tuesday [29 October]. He noted that President Gorbachev had a very busy day. There were talks with President George Bush of the United States and in the evening the two leaders are invited to meet King Juan Carlos I of Spain.

"In the course of the talks," Grachev noted, "the Soviet president, in reply to a letter received from the American side, which wanted to know about the progress made in the implementation of the latest disarmament initiative, handed to President Bush an information saying that dismantling jobs have been started and other measures were being taken in the sphere of nuclear disarmament. In addition to the Middle East problem, the presidents also discussed several other regional issues, including the situation in Yugoslavia and on Cyprus.

"On Tuesday afternoon President Gorbachev met Israeli Prime Minister Yitzhaq Shamir. The meeting can be deservedly qualified as a historical event. It was marked by a very good atmosphere. The sides discussed problems of bilateral relations. Both leaders have expressed great satisfaction with the fact that diplomatic relations between the two countries were restored after a lengthy interval, that this happened in a very favourable situation—on the eve of the Middle East peace conference," Grachev said.

"Discussed during the meeting also were problems linked with the reduction of the arms race in the region. Both sides noted the similarity of their positions on this

score. The two leaders positively assesed the opening of the Middle East peace conference. The very fact that the sides involved in the confict have started talks is of historical significance, they noted. Both sides believe it is now necessary to display patience and perserverance so that the efforts exerted to convene the conference would not be in vain.

"Mikhail Gorbachev and Yitzhaq Shamir have expressed readiness to develop relations between the Soviet Union and Israel in all areas: economy, agriculture and industry. Agreement was reached also to maintain contacts at the political level, including contacts between the leaders of the two countries. Yitzhaq Shamir invited President Gorbachev to visit Israel," Grachev told the briefing.

RIA Assesses Bush-Gorbachev Talks

LD3010000991 Moscow Radio Rossii Network in Russian 2200 GMT 29 Oct 91

[Text] The main goal of U.S. President George Bush during his meeting with Soviet leader Mikhail Gorbachev on 29 October in the Soviet Embassy building in Madrid was to find out the strength of Gorbachev's position in the USSR that has fallen apart, and his ability to control the situation. The Americans also wanted to know how adequate is Soviet president's assessment of the situation that has arisen in the country. The Russian Information Agency [RIA] correspondent found out about this from informed U.S. diplomatic sources. Tajik Foreign Minister Kayumov, member of the official USSR delegation to the Near East peace conference, partly confirmed this information in a conversation with the agency correspondent. According to Kayumov, this subject was raised on many occasions by the U.S. side during the talks, which were not given the status of official talks.

Observer Views Conference Prospects

LD2910192791 Moscow TASS in English 1849 GMT 29 Oct 91

[By TASS international observer Yuriy Tyssovskiy]

[Text] Moscow October 29 TASS—While the organisers of the Madrid peace conference are pondering the tricky task of placing representatives of the participating countries at a T-shaped table, observers focus on what participants in the forthcoming dramatic forum have to say ahead of its opening scheduled for Wednesday, October 30.

Their statements differ in tone. According to a Western radio broadcasting stations [as received] hawks can be heard screeching and doves cooing over the Middle East's political relief. The sounds, paradoxically, often come from the same camp.

Both the Arab and the Israeli sides have already set out the essence of their respective positions with which they have arrived in the Spanish capital.

Both are characterised by extreme toughness and, at least at first glance, seem to be dead set against any compromise. It would be wrong, however, to overlook that these protestations of irreconcilability are accompanied by assurances on the part of renowned Israeli, Palestinian and Arab politicians—from Israeli Prime Minister Yitzhaq Shamir to Palestine Liberation Organisation chief Yasir 'Arafat—that sound encouraging enough on the whole.

The point of these assurances is that all will be grist that comes to the negotiating table from the participants who have clearly expressed their wishes of success to the conference and promised to make a positive contribution to its work.

One thing is clear—there will be more thorns than roses on the marathon racing track way towards a lasting and comprehensive peace in the Middle East, the way with numerous barriers that, according to pessimists, may prevent the participants in the Madrid race from reaching the finishing line. Realistically speaking, such an outcome is also possible, as the Middle East conference is an extremely brittle instrument. But it provides a unique opportunity to eventually settle the longest and most volatile conflict in modern times. This makes the participants in the forum especially responsible before the generations to come.

This responsible approach is particularly important in conditions in which influential forces have joined in the attempt to torpedo the peace process in the Middle East. Extremists of all kinds have found themselves allied, albeit against their own will, in their efforts in this direction—from Israeli ultras to Palestinian radicals of red or green hues. They are enjoying moral support at the state level, including in the capitals of countries situated in the Middle and Near East. The alliance has already started to act—attacks on an American and an Egyptian nationals in Turkey, an armed assault on Israeli colonists on the West Bank and the escalated combat activities in south Lebanon have already claimed lives.

Israeli Defence Minister Moshe Arens has made an attempt at denigrating the work of the conference before it began by saying the United States was wrong in fuelling Arab hopes.

Only self-restraint and common sense of the participants in the Madrid conference can help them overcome the negative effect of such acts and utterances of provocation.

It is difficult to disagree with what President George Bush thinks on this score—the very fact of the convocation of the conference, despite the numerous impediments that have had to be overcome, is to be seen as a major accomplishment. Indeed, the main thing at the present stage is to sit down at the negotiating table and begin the Arab-Israeli dialogue.

Soviet President Mikhail Gorbachev stressed upon his arrival at Madrid that there was every reason, despite the obvious difficulties, to count on a positive outcome.

It remains to cross one's fingers in hope for good news from the Spanish capital.

Gorbachev, Shamir Hold Talks

LD2910230791 Moscow Russian Television Network in Russian 2100 GMT 29 Oct 91

[Report by correspondent Vadim Kukushkin in Madrid—from the "Vesti" newscast]

[Text] At the moment Shamir is here, at the Soviet Embassy. He is talking with Mikhail Gorbachev. To all appearances, the Soviet president is trying to persuade Shamir to be more pliant but it seems that Shamir has already received as much as he expected from the Near East conference. This is, first of all, the opening of the Israeli Embassy in Moscow and a direct air route between Moscow and Tel Aviv. Thus, the issue of repatriates has been solved. After all, the Arab territories should be populated.

Simultaneously, the Palestinian delegation held a news conference. One of its members said that today's conference would have been impossible without the PLO. But what does Israeli Prime Minister Shamir think about this subject? He has always advocated the idea of a greater Israel, from the Euphrates to the Nile.

This is Vadim Kukushkin, "Vesti," from Madrid.

'Good Atmosphere' at Talks

LD2910232191 Moscow TASS International Service in Russian 2234 GMT 29 Oct 91

[By TASS special correspondent]

[Text] Madrid, 29 Oct (TASS)—Andrey Grachev, press secretary to the USSR president, held a briefing here on 29 October. He noted that USSR President Mikhail Gorbachev had a busy day and that talks had been conducted with U.S. President George Bush. Both leaders have been invited to see the king of Spain, Juan Carlos I, in the evening.

A. Grachev noted that during the talks, in reply to the U.S. side's letter on the progress of the disarmament initiative, the Soviet president gave George Bush information on how dismantling has begun and about other measures being implemented in the field of nuclear disarmament. The meeting between the presidents also dealt with other regional problems, in particular Yugoslavia and Cyprus, in addition to that of the Near East.

Also on Tuesday afternoon, a meeting took place between USSR President Mikhail Gorbachev and Israeli Prime Minister Yitzhaq Shamir, which can be called historic. The meeting took place in a very good atmosphere. Issues of bilateral relations were discussed. Both leaders, A. Grachcev noted, expressed great satisfaction that, finally, after a lengthy break, diplomatic relations between the two countries have been established and that this is taking place in an extremely favorable situation—on the eve of the opening of the Near East peace conference.

The meeting also touched upon the issue of curbing the arms race in the region. Both sides said that their positions on this are similar in many ways. The leaders of the two countries gave a positive assessment of the fact that a Near East peace conference is actually starting. Even the fact that the sides involved in the conflict are beginning to talk to one another, they noted, is already of historic significance. In the opinion of the two sides, it is now necessary to demonstrate patience and persistence so that the efforts spent on convening this conference do not go to waste.

Mikhail Gorbachev and Yitzhaq Shamir expressed their willingness to develop relations between the USSR and Israel in all areas: the economy, agriculture, and industry. The sides agreed that they will maintain contacts at the political level including contacts between leaders. Prime Minister Y. Shamir invited USSR President M. Gorbachev to visit Israel.

Shamir Comments After Talks

LD2910202991 Moscow Central Television First Program Network in Russian 1900 GMT 29 Oct 91

[Unidentified "special correspondents" report from Madrid; from the "TV Inform" newscast]

[Text] Following George Bush's departure from the Soviet Embassy, Mikhail Gorbachev received the heads of the delegations that are arriving to attend the conference. Yitzhak Shamir, the prime minister of Israel, insisted on a special meeting.

[Begin recording] [Farid Seyful-Mulyukov] You have met the USSR president and had a discussion with him for the first time, on the eve of the Middle East peace conference in Madrid. What did this discussion show?

[Shamir's interpreter, in English] Mr. Prime Minister, after reestablishment of the diplomatic relations between the Soviet Union and Israel, this is your first meeting with the president of the Soviet Union. So, what are your feelings about that meeting?

[Shamir, in English with superimposed Russian translation] It was a marvelous opportunity to meet the Soviet president for the first time, after so many years without any kind of relations between our countries. We are very glad that these relations have been restored, and I hope that they will develop actively.

[Seyful-Mulyukov] Israel signed a peace treaty at Camp David with Egypt, a major Arab country. What calculations and hopes do you link with the holding of a multilateral dialogue with Arab countries here in Madrid at the conference which opens tomorrow?

[Shamir] Indeed, our first agreement with an Arab country was signed at Camp David. That was very important, because it marked the start of the process leading to a Middle East settlement. Now, we want to continue this process and to conclude agreements with other Arab states, to ensure genuine peace in our region. [end recording]

Middle East Conference Convenes

LD3010093591 Moscow TASS in English 0850 GMT 30 Oct 91

[By special TASS correspondents Vladimir Baydashin, Gennadiy Petrov, Yuriy Pometov, Viktor Khrekov and Vladimir Shekhovtsov]

[Text] Madrid October 30 TASS—A Middle East peace conference convened to settle one of the most dramatic and prolonged regional conflicts, is opening today in the Spanish capital.

Sitting at a T-shaped negotiating table in the Palacio Real, a former royal residence, for the first time will be Israeli, joint Palestinian-Jordanian, Lebanese, Syrian and Egyptian delegations.

The co-chairmen of the conference are the Soviet Union and the United States, therefore Soviet Foreign Minister Boris Pankin and U.S. Secretary of State James Baker will sit at the head of the negotiating table.

Representatives of the United Nations, the European Community, the Union of the Arab Maghreb and the Cooperation Council for the Arab States of the Gulf will participate in this historical forum as observers.

Head of the Spanish Government Felipe Gonzalez will open the conference with a 10-minute speech at 1030 A.M. Madrid time (1130 Moscow time). Then U.S. President George Bush and Soviet President Mikhail Gorbachev will take the floor with 20-minute speeches each.

Later today the Soviet leader will meet chairman of the Spanish Government in the Moncloa Palace. After negotiations with Felipe Gonzalez, President Mikhail Gorbachev will leave for France to meet President Francois Mitterrand.

Gorbachev Speaks at Opening

LD3010104191 Moscow TASS in English 1031 GMT 30 Oct 91

["Gorbachev's Statement at Middle East Peace Conference"—TASS headline] txt
[Text] Madrid October 30 TASS—Follows the full text of Soviet President Mikhail Gorbachev's speech at the opening ceremony of the Middle East peace conference here today:

Prime Minister Gonzalez,

President Bush,

Ladies and Gentlemen,

I would like to begin by expressing my gratitude to our hosts—the king of Spain and the Spanish Government for their offer of Madrid as the venue for this conference which is so important to the entire world. It would have been difficult to select a better venue from the standpoint of both the country prestige and authority and of geopolitics.

I welcome here the President of the United States of America, the Arab delegations and observers, the Israeli delegation, the representatives of the European Community, and the United Nations secretary general.

The composition of participants as well as the nature and objective of this conference are testimony that we are attending an event of major importance in new world politics.

The road to it was strewn with thousands of victims and with devastations and calamities suffered by the nations. It was marred by hatred and atrocities. It often came to crossroads fraught with a danger of global explosion.

This conflict, the longest in the latter half of the 20th century, bears a heavy mark of the cold war. It was not until an end was put to that war that ending this conflict became possible too.

Enormous efforts were needed, however, to put on track the process of settlement. Those efforts reflected the tremendous potential of good will and responsibility of the statesmen and policy-makers and of all those who became involved in this undertaking of global importance.

For we are dealing with a region from which originate many sources of the world's civilization and culture and where the vital interests of today's international community converge, a region inhabited by nations whose genius inspire the greatest achievements of the human spirit.

Let me say a few words about the role of the two powers whose presidents are now before you as co-chairmen of the conference. It was the will of history that unless there had been an improvement and then a radical change in Soviet relations we would not have witnessed the profound qualitative trasformations in the world that now make it possible to speak of an entirely new period, a period of peace in world history. Movement in that direction has begun.

The fact that a realistic hope has emerged for an Arab-Israeli settlement can only be understood in this context.

Cooperation between the two powers and other members of the UN Security Council was indispensable to stop the aggression against Kuwait and to reaffirm the effectiveness of the new criteria in international relations. Right after that, just as was agreed between President Bush and me early in September 1990 at our Helsinki meeting on

the subject of the Gulf War, vigorous joint efforts began, aimed at achieving a Middle East settlement.

All that we and the Americans have done to that end signifies that proper conclusions have been drawn from the Gulf War. Our joint participation in the process of settlement was prompted by a desire to offer our good offices, not to impose solutions from outside that would run counter to the national interests of states in the region.

Thus, as a result of major bilateral and multilateral efforts a signal was sent to the parties involved in the conflict that they need to negotiate, to work together toward finding a realistic balance of interests which alone may form the foundation of a durable peace.

Today we have a unique chance. It would be unforgivable to miss this opportunity. Success is in everybody's interest not only because the rights of the peoples and nations and of individual are increasingly recognized today as a universal foundation of the world order, but also for another reason of particular urgency and gravity. The Middle East has become one of the most heavily armed regions of the world, where lethal weapons and nuclear technologies are spreading and where other weapons of mass destruction are also present.

This is a justified cause for alarm. The international community is entitled to expect that this conference will come up with decisions that will put to rest this concern. In my view, the conference can only succeed if no one seeks a victory over the other side but all seek a common victory over the cruel past. I am speaking of peace, rather than a cessation of the state of war. A durable peace implies the realisation of and respect for the rights of the Palestinian people.

We have restored diplomatic relations with Israel. Now that profound democratic changes are taking place in our country and in the world and that a real process of settlement of the Middle East crisis is getting underway, the absence of such relations was becoming a nonsense. We hope and will try to make sure that this would benefit the peoples of our two countries, and the entire Arab world.

Peace in the Middle and Near East would benefit all. The region has a vast potential. Turned to constructive pursuits, it will help not only to resolve the problems of the nations that live there but will also become an important pillar of global international progress and prosperity.

We must break the fetters of the past and do away with animosity, militarism, terrorism, hostage-taking, and actions that turn people into refugees.

Our country, as a participant in the Middle East process and a neighbour that has maintained long-standing and extensive ties with the nations of the region, has a special interest in the success of this conference.

The pace and methods of resolving problems that have emerged at the present stage of world development will have a strong bearing on the settlement of conflicts in the Middle East and elsewhere.

The acceleration of historical evolution on the basis of democracy is amazing. Tremendous social energy of the masses of people is being released. Its characteristic manifestation is the dramatic growth of national self-awareness and national consolidation, particularly where national feelings were long ignored or suppressed.

It is a generally positive process that holds out great promise for the future. It will add to the creative potential of the world community in all its diversity. We now have a better chance of keeping this process on a civilised course. At the macro-level of world politics there is a recognition of the complex implications of national aspirations and the willingness to put out the fires of interethnic and international conflicts. We can witness that in the Middle East, Southern Africa, Cambodia, Korea, Afghanistan and Central America.

Yet dangers exist and we are already facing such dangers. Somewhat unexpectedly, they have made themselves strongly felt in Europe. But in the entirely new international environment there is a much lesser temptation for outsiders to exploit, say, the Yugoslav crisis in order to gain an advantage and strengthen one's hand at the others' expense. To the contrary, the dominating tendency is to exert joint and vigorous efforts to help overcome the crisis while respecting the right of the parties involved to decide the destinies of their country and, at the same time, reminding them of their responsibility to the international community. One may hope that crises that arise in our time will not be as protracted as the one we are dealing with here.

Lately the world has been confronted with yet another crisis of tremendous proportions. I have in mind my own country. It became inevitable as a result of accumulated latent contradictions. A great country is going through a great transformation. It is a painful and arduous process, which has brought about personal tragedies and interethnic and regional conflicts. A great deal in the world depends on how our crisis will be resolved.

Once this crisis is overcome, our union will acquire new qualities and potentialities of a world power based, materially, on a market economy as part of the world economy; politically, on democracy as part of universal democracy; and intellectually, on the new thinking.

We are the ones who will shoulder the main burden of achieving the recovery and prosperity of our country. This job is for us to do. Our peoples will have to go through a difficult period of transition. But it is important that in the new conditions created precisely because our country launched the initiative to end confrontation and join the rest of the world, the world, too, has not remained indifferent to our great cause.

The world community is becoming increasingly aware that what is happening in the Soviet Union has a larger bearing that any regional conflict on the vital interests of the greater part of today's world. Today we are not only hearing the voices of approval and good wishes—we are beginning to see practical support.

This is a very significant sign of the movement towards a new era. President Bush's initiative regarding nuclear arms and our reciprocal initiatives constitute a major step and a remarkable symbol of this movement. Nuclear arms used to be the axis of world politics over almost half a century. We can now change the nature of politics by removing that axle and replacing it with a completely new one that would fit the wheels of history in the 21st century.

Mankind faces many peacetime challenges and all of them are really formidable. They include what we call global problems, such as the environment, energy, food supplies, population, all problems of development and the complete abolition of the nuclear threat which is spreading to the periphery of the former center of world confrontation.

All these challenges can only be handled through joint efforts. Therefore it is essential to break the logic of many centuries and particularly of this century, to shape persistently and patiently a new logic of interdependence, interaction and cooperation. That this task is extremely difficult to accomplish we see both in our country and elsewhere. Even here in this conference room ghosts of the old thinking—sometimes unnoticed—are still roaming among us.

When we get rid of their presence, we will be better able to move towards a new world order. Irrespective of our individual visions of this order, it appears that we should now promote this objective process itself, relying on relevant mechanisms of the United Nations, CSCE, European Communities, modernised old and completely new structures of regional security and cooperation as well as the institutions created for crisis prevention and conflict settlement.

Ladies and gentlemen,

It is for the delegations directly participating in the conference to sort out the details of its enormous task. As co- chairman of the conference we will be in regular contact with our American counterparts and will do our utmost to help find solutions for which your peoples and the entire world have long been yearning.

In my address I have mentioned the more general problems of the global process. I did this in order to emphasize once again the important international context of the conference and of the challenge that you are facing.

I wish you every success.

United States & Canada

Bush Discusses Question of Economic Aid

LD3010110891 Moscow TASS in English
1039 GMT 30 Oct 91

[Text] Madrid October 30 TASS—President George Bush told a press conference here on Tuesday [29 October], after the Soviet-American summit, that the United States followed with admiration and keen interest developments in the Soviet Union, its most dramatic progress towards reforms. The press conference was held jointly with Soviet President Mikhail Gorbachev.

Asked about the possibility of additional aid to the Soviet Union in light of the refusal of certain republics to join the new Union, Bush said the United States was really eager to render food and medical aid to the Soviet Union.

According to the U.S. President, he discussed with Gorbachev many problems concerning the republics and ways to meet the Soviet president's request for economic aid, but no concrete agreement was reached on concrete volumes of such assistance. Bush said the discussion of this problem would be continued after consultations with representatives from the G-7, who recently had talks in Moscow.

When it comes to talks on credits and humanitarian aid, the Americans must know that the centre and the republics adhere to identical approaches, Bush said. He believes the Economic Treaty has brought the republics much closer to the centre economically than before, and this makes it easier for the United States and the G-7, as well as other countries, sincerely wishing to back the reforms, to discharge the task.

U.S. Defense Official Heads Team in Moscow

LD2910150191 Moscow TASS in English
1337 GMT 29 Oct 91

[By diplomatic correspondent Vasiliy Titov]

[Text] Moscow October 29 TASS—United States First Deputy Secretary of Defence Donald Atwood arrived for an official visit in Moscow today at the head of a team of American politicians and industrialists. They plan to study on the spot the entire complex of economic, technological and social problems, linked with the conversion of Soviet military industry to meet civilian needs. They will also seek ways to promote mutual cooperation in this sphere.

During their 7-day visit, the Americans will meet leaders of the USSR and the Russian Federation, including Russia's Vice President Aleksandr Rutskoy, Russia's State Counsellor for Defence Konstantin Kobets, and Russia's Minister for Industry Viktor Kisin. The American delegation is expected to be received by USSR President Mikhail Gorbachev next week.

This is perhaps the first such representative visit of this sort of a team to the USSR. Apart from leaders of the U.S. military establishment, it also includes many American businessmen—vice presidents and chief managers of such important companies as the Boeing Corporation, Ford, General Motors, General Electric, and the Kellogg Company. In addition to military hardware, they all produce civilian goods, too.

One more feature of the visit is that the American politicians and businessmen will be given the first chance to visit several major Soviet defence enterprises in Moscow, St. Petersburg and Kiev, which have so far been out of bounds for foreigners.

Discusses Military Industry Conversion

OW2910212991 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] On Tuesday [29 October] Deputy Arkadiy Volskiy, chairman of the Committee for the Operational Management of the National Economy and president of the Science and Industry League, met with U.S. Deputy Defense Secretary Donald Atwood to discuss cooperation in the field of conversion of Soviet industry to civilian production.

Participating were top Soviet defense factory executives and, on the U.S. side, top executives of Boeing, Ford, General Motors and General Electric.

IF [INTERFAX] learned that the Soviets criticized Cocom [Coordinating Committee for Multilateral Export Controls] rules and the bureaucratic obstacles to cooperation between Soviet and U.S. and Soviet and third countries' companies raised by the Pentagon. For example, the Cocom and the Pentagon-imposed restrictions are still barring the Soviet space industry from the commercial satellite launch market. Atwood promised to inform the U.S. Administration of these obstacles and emphasized that the US was interested in the success of the conversion of the Soviet military defense industry to military production as a condition to strengthening economic stability in the USSR.

Atwood remarked that the U.S. Government would invite other countries, including Japan and Western Europe, to participate in the Soviet conversion.

He stated, in broad terms, an intention to help with the development of technologies for the destruction of chemical weapons and with the identification of the field of commercial use for Soviet spacecraft. Atwood did not rule out the possibility for the U.S. to cooperate with the USSR on the SDI [Strategic Defense Initiative]. Concrete decisions on cooperation in conversion will be taken as soon as the delegation returns to the USA.

IF asked Atwood whether the U.S. side was not apprehensive of the possible leakage of Soviet advanced technologies to the Third World, including the Middle East, in the absence of a broad cooperation between Soviet defense enterprises and Western companies in the field of conversion. Atwood emphasized that certain countries in the Middle East had to be prevented from getting access to the technologies and development of advanced weapons and said that the USSR and the U.S. shared common concern on this score.

The U.S. delegation's visit will continue until November 5. In the course of the visit the Soviet president will meet with U.S. President Mikhail Gorbachev, Defense Minister Yevgeniy Shaposhnikov and RSFSR [Russian Soviet Federated Socialist Republic] Vice-President Aleksandr Rutskoy [sentence as received].

Shaposhnikov Meets With Canadian Ambassador

PM2310160791 Moscow KRASNAYA ZVEZDA in Russian 26 Oct 91 First Edition p 1

[Report from roundup of TASS, RIA, and correspondent reports: "Meeting at USSR Defense Ministry"]

[Text] On 24 October Marshal of Aviation Ye.I. Shaposhnikov, USSR defense minister, received M. Bell, Canadian ambassador to the USSR, at the latter's request. A conversation on questions of mutual interest took place.

Northeast Asia

Positive Signs Noted in ROK-DPRK Ties

SK3010072391 Moscow Radio Moscow in Korean 1100 GMT 22 Oct 91

[Commentary by (Oleg Davidov) from the "Focus on Asia" program]

[Text] A premier-level meeting between the DPRK and the ROK will be held in Pyongyang. (Oleg Davidov), a political science scholar specializing in Korean affairs, deals with this event as follows.

The agenda of the premier-level talks, which have been in progress since the fall of last year, includes such issues as bringing an end to military and political confrontation and promoting cooperation and exchange between the North and the South.

Three rounds of talks were held last year. In the course of these talks, the North and the South exchanged detailed views and stated their opinion on resolving the national problem. The two nation states have been unable to narrow the differences in their positions on resolving the national problem.

In the last round of talks held in December last year, the North put forward a proposal for adopting a declaration on nonaggression, reconciliation, and cooperation. The DPRK side gave priority to ending the arms race, providing an atmosphere of trust in military fields, and implementing phased disarmament on the principle of

(?give-and-take and nonuse). Meanwhile, Seoul proposed that a treaty for the improvement of relations between the North and the South be signed while not abandoning the principles of the Pyongyang declaration. The South claimed that confidence-building, which will lead to cooperation and exchange in various fields under conditions where the entity of the two states is recognized, is necessary. Only when an atmosphere of this nature is provided should the two sides tackle the military and political issues.

Thus, despite the constructive spirit consistent in the proposals of the two sides, the three rounds of talks failed to narrow the differences in the positions between the two sides on some issues.

Since the last meeting, very important changes have taken place on the Korean peninsula. This provides an advantageous atmosphere for dialogue between the two sides.

A special event was the simultaneous official entry of the two Korean states into the United Nations last September. This gives birth to a new optimism that the North-South reconciliation will be possible in the near future. In any case, both the North and the South declared that they will activate their efforts for the settlement of relations between them. President No Tae-u made a new set of proposals in his UN speech. He declared that the ROK will establish the relations of the principles of common prosperity with the DPRK, that it will form a dependable structure for peace, and that it will insist on actual disarmament on the Korean peninsula.

U.S. President Bush's recent disarmament initiative offers new prospects for serious deliberation on such issues as arms reduction on the Korean peninsula and the removal of distrust in relations between Pyongyang and Seoul. According to a report from Seoul, U.S. nuclear weapons will be completely withdrawn from the ROK. This was the very thing that was called for by Pyongyang, and this was the very reason for Pyongyang's rejection of inspection by the International Atomic Energy Agency.

The proposal for a nuclear-free Korean peninsula, which is expected to be put forward by the DPRK, does not seem to be fanciful today. Seoul, which rejected such a proposal, seems to be taking a more flexible position today. This offers a realistic possibility that will help promote North-South relations.

ROK-U.S. Joint Military Exercise Reported

SK3010054991 Moscow Radio Moscow in Korean 1100 GMT 29 Oct 91

[Asian news from the "Focus on Asia program]

[Text] The AP News Agency, quoting a Seoul source, reported that the United States and the ROK will conduct a large-scale military exercise this week. In the course of the joint military exercise, they will practice the withdrawing of U.S. nuclear weapons from the ROK. A plan is being worked out to withdraw nuclear weapons in the course of [word indistinct] joint military exercise.

Following this, the United States and the ROK are expected to call on the DPRK to open its nuclear facilities for the military [as heard] inspection. They assert that the DPRK has attempted to develop nuclear weapons. Pyongyang denies this.

South Korea Approves $130 Million in Credits

LD2910191291 Moscow TASS International Service in Russian 1735 GMT 28 Oct 91

[By correspondent Vladimir Solntsev]

[Excerpt] Tokyo, 28 Oct (TASS)—The export-import bank of the Republic of Korea today approved the granting of credits to the Soviet Union to a value of $130 million, earmarked for the purchase of South Korean goods. The Seoul administration has thus resumed the economic aid to the USSR that was suspended over the last few months. [passage omitted]

$45 Million in Contracts Signed With ROK

LD2910210491 Moscow TASS in English 1608 GMT 29 Oct 91

[By business correspondent Anatoliy Dragan]

[Text] Moscow October 29 TASS—"Contracts worth more than 45 million US dollars have been made at 'the Korean Trade Exhibition-91' closing today in Moscow", said (Yang Bok-park), director of the exposition and a representative of the South Korean corporation on promoting trade development "Kotra".

Among the displays demonstrated at the exhibition were items of electronics, chemistry, clothing and household utensils.

The trade volume between South Korea and the Soviet Union has grown from 600 million US dollars in 1989 to 900 million US dollars in 1990, next year we expect it to reach 1,500 million US dollars", pointed (Yang Bok-park).

"I hope soon we shall approach an annual level of 10 billion US dollars. As the first step in this direction, South Korea has granted the Soviet Union credit worth 3 billion US dollars", added director of the exhibition.

IZVESTIYA Searches for KAL-007 Site

92UF0097A Moscow IZVESTIYA in Russian 19 Oct 91 Union Edition p 12

[Article by special correspondents N. Burbyga, A. Illesh, and S. Taranov: "An IZVESTIYA Expedition to the Crash Site of the South Korean Boeing"]

[Text] Moscow-Sakhalin—On 18 October the research vessel Gidronavt with participants of an IZVESTIYA expedition on board put out to sea from the port of Nevelsk (Sakhalin) and set course for the island of Moneron. The goal of the expedition is to look for the wreckage of the South Korean Boeing-747 at a depth of about 180 meters and to shoot a documentary at the site where the jet crashed.

Many readers (and even specialists) still do not hold the same point of view on this horrible tragedy, even after the series of investigative reports published in IZVESTIYA concerning the mystery of a huge passenger plane destroyed on the night of 1 September 1983 by two rockets launched by an SU-15 fighter. To put it simply, there are as many versions of the events as there are witnesses.

What is the reason? The lies circulated for us (and the rest of the world) in the newspapers and from TV screens are part of the explanation. These lies were "bolstered" by the arguments of military men, diplomats, and tame experts. Comprehensive secrecy, which was altogether mandatory in the USSR and which instantly shrouded anything and everything that was disadvantageous for the country of developed socialism, has monstrously confused what was a difficult situation to begin with. Alas, to this day there are no official findings by Soviet authorities concerning the specific circumstances and the manner in which the Boeing crashed, despite years having passed, despite demands made by the public of many countries, and despite senators and family members of those who died on the flight writing letters to the new leadership of the country. The data from the "black boxes" have not been revealed to the public...

...A small digression is necessary at this point concerning Admiral V. Sidorov, a key figure in this episode. Our friendship with the former commander did not come easily or right away. Our first meeting occurred when he came to the editorial office and voiced his opinion of our publications, which was not too flattering. However, we published the narration of the Navy man, without indicating his rank or name. Our newspaper's investigation has advanced far since then. The political situation has also changed. The admiral came to the editorial office again the day before the expedition left. "I would indeed like to help your newspaper. After all, you have made a gigantic effort to find the plane! However, when the first IZVESTIYA articles came out I was urgently summoned by Marshal Akhromeyev. He told me: For now, we should not tell journalists a lot, and you should forget about the 'black boxes.' I was surprised. Why? 'We are going to sign important economic agreements with the Americans and the Koreans.' I objected to this—after all, IZVESTIYA will uncover the truth anyway. He replied: 'At present, the newspapers publish what they want. However, if you, an admiral, give an interview, it will sound official. Why should we stir up the past?' For me, the marshal has always been a great authority... I am now ready to help IZVESTIYA in every way."

However, never mind the secret "black boxes"—even the point on the bottom of the sea where the wreckage of the plane rests was released to the public only after our newspaper's persistent demands and has not been confirmed officially by Army dignitaries. Who knows what is there on the bottom now?...

Actually, the very logic of our investigation has necessitated a descent into the depths of the sea in the vicinity of Moneron.

There are several reasons to hope that the expedition will be successful. First, we chartered the vessel Gidronavt, which belongs to the Scientific Production Association Morekoprom in Sevastopol. The vessel took part in the search for the Boeing in the fall of 1983. The vessel carries on board the manned submersible vehicle, Tinro-2, which will be controlled by the person who has already found the Boeing once and, in his words, actually sat on the wreckage of the downed plane. He is captain-instructor Mikhail Girs. Tinro-2 is equipped with a manipulator arm that makes it possible to retrieve things and objects from a depth of many meters. Therefore, in the event of success, there should be no dearth of material evidence. Underwater researchers V. Muravyev and S. Akimov took along an unmanned, remote-controlled submersible vehicle, Minirover, to assist Tinro-2. The bright yellow "baby" purchased in Japan may descend as far as 300 meters, relaying all the details of the underwater landscape to the color monitors on board the vessel.

Is failure possible? Indeed, nobody knows for sure whether any wreckage remains at the sight of the crash. In eight years the military could, for example, have spread the wreckage with trawls (all kinds of orders were given in the course of this episode)... Or, the wreckage could have just been covered with sand and silt and may no longer be identifiable at the bottom of the sea. Also, a string of fall storms may interfere with our work...

However, the highly professional crew of the vessel, which includes Captain Yevgeniy Bas, also a veteran of the search for KAL-007, and the excellent weather now prevailing in this area inspire optimism. From the port one can see all the way to the island of Moneron, alongside which the wreckage of the Boeing rests.

At any rate, the shooting of the documentary has already begun. It will continue on Sakhalin, in Moscow, Murmansk, Tallinn, Khabarovsk, and other cities of the country where participants and witnesses to this tragedy live.

It would be quite fitting to mention here the people who are selflessly and expeditiously helping us organize the trip to Moneron and the shooting of the documentary. They are the governor of Sakhalin, V. Fedorov, who considers uncovering all the secrets of the September 1983 drama to be his moral duty, his deputy Yu. Mishuta and consultant V. Domukhovskaya, Mayor of Nevelsk Yu. Malakhov, and USSR First Deputy Minister of the Fish Industry V. Lushnikov.

Thanks to the post-putsch personnel changes, IZVESTIYA has also succeeded in gaining support and obtaining a permit for the expedition from departments that from the very outset tried to ignore or altogether obstruct the investigation by our newspaper—the Ministry of Defense and the Main Directorate of Border Guard Troops of the USSR KGB.

KAL Black Box 'Kept in Moscow'

PM2310133391 Moscow IZVESTIYA in Russian 22 Oct 91 Union Edition p 4

["IZVESTIYA Investigation" by special correspondents A. Illesh and A. Shalnev: "'Black Boxes' Must Be Sought in Moscow"]

[Text] New York-Moscow-Yuzhno-Sakhalinsk—Radio telegram from IZVESTIYA's expedition: "Work temporarily halted. Strong gale. We are near Moneron. Waiting for favorable weather for dives to the bottom." While our expedition to search for the remains of the giant aircraft is continuing on board the ship Gidronavt near Moneron Island in the Tatar Strait, sensational reports concerning the tragedy of eight years ago are coming in from various points—from Sakhalin, Moscow, and even Tel Aviv.

In the investigation into the secret of the South Korean airliner shot out of the sky over Sakhalin during the night of 31 August-1 September 1983, the "black boxes" remain, as before, the darkest stain, whose removal promises an answer to the main questions in this notorious international incident. We are talking of the apparatus that kept a technical record of flight KAL 007 and the pilots' conversations on the flight deck. Where are these "black boxes"? If this electronic equipment was found and raised from the bottom, have the recordings from them been deciphered?

The work done by IZVESTIYA reporters leads to this conclusion: Yes, the "black boxes" (or at least one of the two) were found and brought to Moscow. We have evidence of this on our dictaphone tapes and in our notebooks. But it is circumstantial evidence. Now, after research by the Sakhalin journalist V. Kulbakov, it is possible to assert that we were right and that the secret of the Korean Boeing 747 is being kept in Moscow in Army and KGB archives. The new General Staff leadership has promised to help IZVESTIYA find these "boxes." We have put a similar request to the USSR KGB. We hope that reason will finally prevail and we will be able to tell the truth. But, for now...

...There are many versions concerning the protracted search—from 1 September right through 20 October—in the Tatar Strait that followed on from the two rocket salvoes from the Su-15 piloted by Gennadiy Osipovich. But at that time, eight years ago, as is now clear, they were not searching for the remains of the 269 people who died. They were searching for the "black boxes." And they evidently found them precisely on 20 October.

The crux of this claim is based on the recollections of deep-sea divers.

And so, N. relates: "There were two boxes. In actual fact, they are not 'black' at all but bright orange—I saw them myself. But one contained recordings of variety programs (?! Only this fact does not fit in with a single possible theory—authors' note). The other contained data of immense interest to the special services. It was at once taken away."

Now a quotation from that very document, the act countersigned by a multitude of signatures on the raising of the "black box." On that day... "divers raised from the bottom, first, a closed block with rounded corners, orange in color, with electric drive and bits of wire..."

About the Living Passengers Who Died Eight Years Ago

This news came from Israel. The Jerusalem research center, whose main interest is jails, psychiatric clinics, and concentration camps in the Soviet Union, published a truly sensational statement.

The sensation consists in the claim that certain results of an investigation being conducted by the center since 1989 show that the passengers on the South Korean Boeing did not die.

...The Boeing, according to the Israeli version, landed on the water. The passengers were taken off and sent to a camp near the city of Sovetskaya Gavan. But one of the passengers who was flying first class, Congressman Larry McDonald, a zealous anti-Soviet, was sent straight to Moscow, to the Lubyanka, and was housed in the Lefortovo Investigation Prison. The aircraft was towed to a very deep part of the ocean and scuttled.

This operation was carried out—we cite Israeli documents—"by the Soviet coast guard under the command of KGB General Romanenko..., acting on the orders of Marshal Ogarkov," who had received instructions "directly from Andropov, who followed the development of the situation personally." In the end, the statement reads, "Romanenko also vanished: His name was removed from the KGB's computer memory. It turned out as though he had never existed at all."

The center gives it to be understood that, according to its data, Larry McDonald is still alive, the adult passengers are alive and being held in camps, while the children were "separated from their parents and sent to homes for orphans in one of the Central Asian republics."

This is our first (and natural!) reaction: We have before us utter gibberish. And yet, let us listen to the arguments...

...According to the Jerusalem center's theory, the Boeing landed safely on the water. The center backs up this theory, in particular, with references to testimonies from specific Soviet sources, a list of which we intend to publish in the next few issues.

To be honest, it was precisely the specific addresses and names of the organizations and specialists involved in one way or another in the KAL 007 tragedy that were of interest to the editorial office in the report from Israel. Because we naturally cannot take seriously the version about living passengers languishing in the Gulag. IZVESTIYA's investigation totally refutes this part of the sensation. In particular, the editorial office's file contains dozens of unique negatives. They were taken at depths of approximately 200 meters in the Tatar Strait (where our expedition is now located). But they were taken in the fall of 1983 from a manned deep-sea apparatus—the one that found the underwater massif on which the wreckage of the Boeing 747 lies.

We are talking of photographic documents obtained directly by cameramen and also using an automatic onboard movie camera, which "clicked" away at strictly defined intervals and marked the negatives. From this marking, it is easy to establish for certain both the time and the place of shooting. In short, these documents, as well as fragments of the Boeing, the personal belongings of passengers, and some papers raised from the depths, which the editorial office has at its disposal, prove unequivocally that KAL 007 was destroyed. And it happened in a specific area. But the principle of investigating such a tragic and extremely tangled affair obliges us not to discard at once the most absurd versions. Therefore we will continue with the Israeli material.

Before sharing its information, the center brought it to the attention of the U.S. Senate.

Meanwhile, the U.S. association of families of the KAL 007 victims sent a letter to Russian President Boris Yeltsin (a copy of this letter is also in our archives). Yeltsin is so far the only high-ranking statesman in the USSR to have publicly declared his readiness to help to ascertain the details of the tragedy over Sakhalin. True, that declaration was partly a forced one: Boris Yeltsin made it in response to a point-blank question put to him during a "live" television meeting with Americans organized by ABC-TV.

It was Francis Frumpsen, chairman of the association, who had already written probably something like 100 letters to various Soviet bodies, including Gorbachev, and received a reply from just a few (Gorbachev did not reply once), who asked this "leading" question on the air. Now he has sent a letter to Yeltsin. The questions and requests are the same as before. The chief request is to be told, at last, what really happened to the passengers.

Admiral Sidorov: Time To Reveal All Secrets

It was only recently that we first mentioned this name in the newspaper in connection with the investigation into the KAL 007 tragedy, in the reportage "IZVESTIYA Expedition Going to the Place Where the South Korean Boeing Perished" (IZVESTIYA No. 249). At that time the former commander of the Pacific Fleet admitted who had banned him, and how, from giving the editorial office any information about the fate of the "black boxes." And yet a simple question (simple, at any rate, for normal human thinking) remains unexplained: What monstrous secrets did these electronic instruments contain? Surely not superespionage data? Then, following elementary logic, it would make perfect sense for the Soviet side to urgently make such information public! To confirm its official, 1983-vintage, version: The Boeing flew into our airspace on a wrecking mission. In this case the question of its destruction will be at least somehow explicable to the world.

But the competent departments stay silent... We recall the admission a former senior officer of the General Staff Main Intelligence Directorate made in an interview concerning the South Korean airliner tragedy. "You see, organizations such as the KGB or intelligence and counterintelligence most frequently make a secret of materials that are not secret at all but which show not our strength but our weakness or blunders."

The conclusion: We are afraid to make public the contents of the "boxes," because then it will become clear that we downed an ordinary passenger aircraft.

Admiral Sidorov said: "Marshal Akhromeyev, who summoned me after the first articles in IZVESTIYA and from whom I received instructions on how to act on meeting with your correspondents, was categorically opposed to declassifying the 'black boxes.' Why? I can only proffer my conjectures. First, an argument of an economic nature: The contents of the 'boxes,' as you rightly consider, worked against the USSR and then, if they were made public, we would have had to pay vast compensation to the families of the dead. The second version is of a political nature: The U.S. and USSR special services could have agreed on something between themselves if the contents of the 'boxes' worked against the Americans. However, these are only my conjectures. I have not seen the transcripts from these instruments. I only know for sure that they were taken by a military aircraft from Sakhalin to the capital and that then the KGB dealt with them. Look for them there."

This is what we IZVESTIYA reporters are doing now.

Foreign Ministry on Gold Transfer to Japan

LD3010115491 Moscow TASS International Service in Russian 0745 GMT 30 Oct 91

[By correspondent Vasiliy Golovnin]

[Text] Tokyo, 30 Oct (TASS)—The USSR Ministry of Foreign Affairs has in its possession a photocopy of a receipt that proves that some Russian gold was indeed transferred to the Japanese military command "for safekeeping" during the years of the civil war. This sensational news was reported to a TASS correspondent by a high-ranking source in the Ministry of Foreign Affairs.

In his words, the photocopy was passed to Soviet representatives two years ago by a Russian woman emigree in Australia. The point of the receipt is that a certain chief

of the Japanese military mission in the Far East received from a representative of the White Army 20 crates of gold for safekeeping. The Ministry of Foreign Affairs source did not say when and where this document was compiled, nor specific individuals named in it.

In his words, the USSR Ministry of Foreign Affairs does not know whether this photocopy bears any relationship to the receipt that, in the words of Sergey Petrov, now living in California, his father, the Kolchak General Pavel Petrov, received in the summer of 1920 from the Japanese Colonel Itsome [name as received] at "Manchzhuriya" railway station after having passed to him for safekeeping 22 crates with some of the gold stock of the Russian empire in order to save them from the advancing Red Army. In the words of S. Petrov, the photocopy of this document may be in the uncatalogued library of the society of Russian veterans in San Francisco. The original may be in Japanese legal archives, because after the civil war his father sought without success, through legal channels, to get back part of the Russian treasures.

The USSR Ministry of Foreign Affairs source said that at present the ministry does not intend to progress with the document in its possession, because it is not entirely sure of its authenticity. According to the Foreign Ministry source, the signatures are undecipherable and the inscription on the Japanese seal is, for some reason, in Russian. Kodzi Obayasi, director of the KOKUSAI TOKYO PRESS [name as received] news agency, who is actively researching the Petrov version, told a TASS correspondent that there is nothing out of the ordinary in this, as seals of the Japanese troops of occupation abroad were sometimes executed in the local language.

Nevertheless, the USSR Ministry of Foreign Affairs intends to wait for the results of an official investigation into the case of the Russian gold. It has asked the Japanese Ministry of Foreign Affairs, which has promised to study this matter and to report its outcome to Moscow, to begin an investigation.

Southeast Asia & Pacific

Commentary Notes Paris Meeting on Cambodia

BK2910121191 Moscow Radio Moscow in Cambodian 1230 GMT 28 Oct 91

[Commentary by station observer Viktor Valentinov]

[Text] News items concerning Cambodia are now gushing like water from a broken dam. The Paris accords seem to have lifted the last barrier that has obstructed the free flow of news. And from this outflow, our observer Viktor Valentinov has skimmed a couple of news items he believes to be very important.

His commentary reads as follows:

The Supreme National Council [SNC] of Cambodia met in Paris last weekend. That was the first meeting since the signing there of the accords to end the civil war and choose the path on which the country will be led toward peace. That meeting was quite remarkable because it was the first time that matters concerning Cambodia's internal affairs were discussed. Gone was the time when all Cambodian factions always had to wait for the signs of foreign parties involved in the solution whenever they had to make a move. Now, from what we see, the Cambodian factions seem to have become well aware that only they themselves can take care of their own internal problems.

The agenda was made ready beforehand on the grounds that the SNC meeting take place in Paris. Listeners would surely agree that Paris is not that great a place for one to get involved in trying to settle Cambodia's own affairs. For this reason, even at its first ever meeting, the most time-consuming issue was the question of establishing the SNC headquarters in Phnom Penh when the different technical aspects of this move were studied. As seen through the discussions, however, this issue was very much political in nature.

The head of the Phnom Penh government, H.E. Hun Sen, reaffirmed his readiness to welcome the SNC in the Cambodian capital. A group of buildings fronting the Tonle Sap River was set aside to house the council. These buildings used to be the residence of the French governor general in the past. After independence, this group of buildings known as the Government House became the place where top state visitors were hosted. As for Samdech Norodom Sihanouk, the chairman of the SNC of Cambodia, he was given the former royal palace as his personal living quarters.

The heated debates at the meeting were provoked by the Khmer Rouge, whose leaders became concerned over their own safety. There were certainly many reasons for them to be concerned as the Cambodian people would never forget the crimes the Khmer Rouge had committed against the people between 1975 and late 1978. Consequently, Khieu Samphan and associates, as could be seen, were quite afraid of the anger and reprisal of their own compatriots.

The Khmer Rouge leadership first proposed that Thailand, and not Cambodia, be the SNC headquarters. However, other council members were against that idea. Thus, whether they liked it or not, the Khmer Rouge was compelled to go to Phnom Penh. Under such circumstances, the Polpotists demanded that their residence in Phnom Penh be surrounded by an enclave put under UN protection. Following a long argument, they agreed that the residence of each council member in Phnom Penh is to be protected by 10 guards and that he is entitled to three bodyguards. The problem was thus settled.

According to the plan, in November the SNC will move to the Cambodian capital and, barring unforeseen circumstances, Samdech Sihanouk will arrive in Phnom Penh on 14 November.

At any rate, the SNC meeting in Paris basically led people to understand that the dialogue on the normalization of Cambodia's internal affairs has been launched.

UN Human Rights Mission Fails in Burma

BK2910064791 Moscow Radio Moscow in Burmese 1430 GMT 28 Mos 91

[Vladimir Vladimirov commentary]

[Text] The mission to Myanmar [Burma] by a representative of the United Nations Commission for Human Rights, Yozo Yokota, has ended without success. The Japanese envoy left Myanmar after he was denied permission by Myanmar authorities to meet Daw Aung San Suu Kyi, the opposition leader who recently won the Nobel Peace Prize.

It is possible that Daw Aung San Suu Kyi herself still does not know that she has won the Nobel Prize. She has been under house arrest for over two years, and the Myanmar military government has completely cut her off from the outside world. She was not able to receive the prize awarded to her by the European Parliament for her freedom of thought.

The UN experts who recently visited Myanmar were not allowed to meet Daw Aung San Suu Kyi. They went to Myanmar to investigate allegations of violation of human rights. According to press agency reports, they were able to observe conditions in Myanmar only under the strict supervision of the local authorities. The UN experts, however, were able to meet leaders of the National League for Democracy of which Daw Aung San Suu Kyi is still the general secretary.

Daw Aung San Suu Kyi, who has adopted the universal outlook of Mahatma Gandhi, is an advocate of nonviolent struggle. Her strength lies in her ability to persuade the people. When necessary, she was able to organize by setting herself as a model. It is recounted in Myanmar how on one occasion in April 1969 a captain from the Myanmar Army gave orders to open fire on Daw Aung San Suu Kyi who was at the forefront of the demonstrators. Soldiers, however, were stunned by her unflinching courage and were unable to open fire.

Daw Aung San Suu Kyi has consistently urged her people to be resolute and tenacious in their struggle for democracy and a decent life. Her essay, which has been published and distributed abroad, contains this appeal.

Daw Aung San Suu Kyi, the daughter of Myanmar's national hero General Aung San, is living proof that no weapon can overcome a strong mental resolve and firm conviction.

Near East & South Asia

Gorbachev, Others Invited To Visit Israel

LD2910193391 Moscow Russian Television Network in Russian 1800 GMT 29 Oct 91

[From the "Vesti" newscast]

[Text] Israeli President Hayim Herzog has invited Mikhail Gorbachev and the presidents of the republics of the former Soviet Union to visit Israel. According to Israeli radio, the invitation was sent through a delegation of republican representatives who are interested in developing trade with this country. The delegation is now staying in Israel.

Statement Notes Shock Over West Bank Attack

LD2910170491 Moscow TASS in English 1637 GMT 29 Oct 91

[Text] Madrid October 29 TASS—The Soviet Union on Tuesday [29 October] made a statement on the incident in the occupied territories on Monday [28 October].

The statement circulated here says "like the whole world, we are shocked by the tragedy in the West Bank, which killed innocent people, including children.

"The Soviet Union reiterates its position that the Middle East peace conference that is being organised under its co-chairmanship will help break the vicious circle of wars, conflicts and violence, which have been plaguing the Middle East over the past decades and guarantee its people, without exceptions, the right to a decent life, prosperity and peace.

"Hatred and hostility can only destroy and separate people, aggravating their sufferings.

"We call on all people - Israelis, Palestinians and residents of other Arab states - to be restrained and realise that the Middle East peace conference opening in Madrid on Wednesday [30 October] will give the peoples of the region a unique chance for reaching an accord and a historic compromise," the statement said.

Mideast 'Realism' Must Overtake Extremism

LD3010023391 Moscow Radio Moscow World Service in English 1310 GMT 29 Oct 91

[Aleksandr Pogodin commentary]

[Text] On Monday [28 October], a group of Arab extremists opened fire near Jerusalem on a bus with Israeli settlers from the West Bank. Two settlers were killed and several others injured. A few days before that, settlers opened fire on a Palestinian demonstration, also causing some casualties. In Jerusalem on Monday, there was a 50,000-strong demonstration under the slogan: Death to the Arabs. More from our commentator, Aleksandr Pogodin:

In general, such extremist actions have become almost routine, which has to be stated with great bitterness. According to REUTER, during the intifadah—the Palestinian uprising on the occupied lands—74 Israeli citizens and 865 Palestinians have been killed. I might compare these figures and draw conclusions that side is more to blame for terrorism, but this should not be done since every human life is sacred and must not be stopped.

I'd like to draw your attention to the fact that the current outburst of mutual terror is obviously timed to coincide with the start of the Middle East peace conference and is aimed at preventing it. I'm sure this won't happen. No side to the Arab-Israeli conflict will take the risk of assuming the responsibility for ruining the conference, but political extremism, with acts of terror being a direct display of it, remains a factor that, if the state of affairs is viewed realistically, will have its harmful effect on the course of the conference itself and on the Arab-Israeli talks following the conference. This applies to the stand of a number of Arab states involved in the conflict.

The PLO leadership has to overcome highly extremist positions in its own movement. The Israeli prime minister, Yitzhaq Shamir, who justifiably has the reputation of a hawk himself, cannot disregard the extreme rightists who are even more hawkish in his own government. These are the primary reasons, to my mind, that mutually rule out ultimatums that some participants in the conference precede from. Both sides are making threats of leaving the conference if their stands are not recognized. The overcoming of political extremism, rejection of the language of ultimatums, is absolutely essential for the success of the conference itself and of the future talks. I believe, of course, that the conference cochairmen—the USSR and the United States—will do their utmost to help the participants in the talks find a path to the necessary compromises, though they cannot solve the problems for others. Everything depends on whether reason and political realism take the upper hand of extremism.

Israeli Stance on Peace Process Examined

PM2910163191 Moscow IZVESTIYA in Russian 29 Oct 91 Union Edition p 7

[Political observer A. Bovin article: "Israel: Neither War Nor Peace"]

[Text] Daily life in Israel still revolves around the establishment and shaping of a state and a people—a modern state and an ancient people.

Israel is doing fine as regards sunshine. Matters are much worse as regards land. They are altogether bad as regards water. But the people who arrived here were energetic, with bad experiences in the past and with hopes in the future, and they succeeded in bringing life to the desert and settling the rocky barren mountainsides. They brought Palestine from almost Biblical antiquity into the modern age and revived for themselves and for mankind the wonderful and melodious language in which the Bible was written 4,000 years ago...

Israel is a promised land for brief journalistic visits. In just 10 days I visited its extreme northern point and its extreme southern point, I crossed it from west to east and even managed the return trip. Wherever I went I was greeted by hospitable people who spoke Russian (or rather Russian as well), prepared to spend hours explaining what Israel is and what the Israelis are.

Different people—different backgrounds. Society builds itself and swells its ranks from immigrants representing the languages, traditions, cultures, habits, and customs of 70 countries. Some are absorbed by and adapt themselves to the new environment faster and better, others more slowly and not so well, while yet others remain outside the mainstream of the new life. There is plenty of worries, sundry squabbles, and major and minor problems.

But there is one problem that is common to all. Jews and Arabs. Israel exists in Arab encirclement, a hostile encirclement. There have been five wars in 45 years, taking the lives of 10,000 Israelis. Even peacetime is only relatively peaceful. Let us recall the tens and hundreds of terrorist acts. Let us recall the "intifadah." (Footnote) (For the record. Terrorism. According to Israeli data, there have been 709 civilians killed and 4,959 wounded as a results of terrorist acts on Israeli territory [excluding the West Bank and the Gaza Strip] between 1949 and 1991. Military casualties amount to 457 killed and 5,781 wounded.

("Intifadah." Israeli data [from 9 December 1987 through 17 October 1991]: 25 Israelis killed and 4,860 wounded; 701 Arabs killed by Israelis; 501 Arabs killed by Arabs [for "collaboration"].

(Palestinian data [from 9 December 1987 through 31 May 1991]: 956 Arabs killed or beaten to death.)

Hence the constant feeling of danger, anxiety in daily life, and psychological tension. But people get used to everything. "Tension is not in daily life," I. Goldstein, general director of the Municipal Council of Ma'ale Edomim, a settlement to the east of Jerusalem, amplified. "Tension is in the subconscious." According to L. Gaffen, a veteran from Kefar Gil'adi Kibbutz near the Lebanese border, "tension exists only in books and fiction. There is no direct sense of tension." Generally speaking—let me repeat this—people get used to things and the acuteness of perception is blunted. But security worries remain an absolute priority at all times and for everyone.

The Israeli Army is obviously classed as one of the world's most efficient armies. But those responsible for the country's security are not inclined to rest on their past glories. The lessons of the recent war in the Gulf are already being analyzed. The new Chief of General Staff Ye. Barak has launched a reorganization of the Army. The task is to enhance professionalism at all levels and in

all directions. The objective is to guarantee a swift victory without losses with the minimum involvement of ground forces. Emphasis is placed on missiles and anti-missile complexes, a new generation of combat aircraft, modernization of means for waging radioelectronic warfare, and improved command and control of troops.

But even inveterate hawks realize that security guaranteed only by force of arms cannot ensure the country's steady, stable, and normal development. Military expenditures (even though they have declined from 15 percent to 9.4 percent of GNP over the last 10 years) hold back economic growth and prosperity. The country actually lives in debt (about $24 billion in 1990). The trade balance deficit (about $4 billion in 1990) is a chronic disease.

All this makes it time and again necessary to seek security guarantees not only in military superiority but primarily in the balance and equilibrium of mutual interests. In this context, there is a broad discussion in Israel of the prospects and possibilities of the international conference on a Near East settlement.

U.S. diplomacy played a decisive role in bringing about this conference. Secretary of State J. Baker appeared in the Near East on eight occasions since March, flying from capital to capital, talking with each political leader several times, persuading the opposing sides to sit around the negotiating table. And he did persuade them. The conference is scheduled to open in Madrid 30 October.

I am not sure that Baker's all-out pressure has brought about any improvement of relations between the United States and Israel. But this is an altogether different issue, which Washington and Jerusalem will have to tackle after the conference...

Skeptics like me may say: The evidence of procedural agreement conceals profound disagreement on the settlement's substance. The conference, skeptics may add, is being held not because all sides want to reach agreement but because nobody wants to bear the responsibility for thwarting it. This is probably true. Nonetheless, the wise Chinese are right: It is better to conduct talks than not to conduct talks—provided, of course, they are aimed not at immediate results but at long-term prospects.

Prime Minister Y. Shamir outlined Israel's principled stance for me. Israel, he said, has always insisted on direct talks with each one of its Arab neighbors. The talks with Egypt have proved how fruitful this approach is. Syria, Jordan, and Lebanon are now waiting "in line." And the peace conference, to be cochaired by the United States and the USSR, will make this possible, because bilateral talks will begin after the plenary session, as it were, which will open the conference.

For the time being, the prime minister went on, the positions on a series of questions are very far apart, incompatible. But we are saying: Let us sit around the negotiating table and, with a view to slow and stage-by-stage progress, let us start seeking ways for rapprochement, let us start seeking mutual understanding. Let the conference be a kind of touchstone for readiness for agreement, for compromise. If we fail to find solutions today, Y. Shamir concluded, nothing will be lost. We will return home and start preparing for tomorrow.

Mr. Shamir said nothing about the limitations on Israel's room for maneuver. And they are rather tight. They are laid down by the "Shamir Plan," announced back in spring 1989, which completely excludes the PLO from the negotiating process and boils down to the creation of an administrative autonomy for Palestinians. In other words, the land and the sovereignty belong to Israel, the municipalities belong to the Palestinians.

The limitations on Israel's room for maneuver and the extent to which it is free to seek compromise are governed by two "absolute" points, as Y. Govrin, deputy general director of Israel's Foreign Ministry, told me: The first is that Jerusalem remains forever the capital of Israel and of Israel alone. By the way, having energetically emphasized this thesis, Foreign Minister D. Levi concluded in Russian: "And that's it!" The second point is that there will never be an independent Palestinian state next to Israel. One Palestinian state, Jordan, already exists—there is no need for a second one.

I must note that almost all people who were recommended to me as interlocutors shared the government's stance. Therefore, they rejected the principle of "peace for land," which is to this day perceived by the United States, by the USSR, and by the bulk of the world community as the conceptual foundation for any possible stable compromises.

"This is our land," A. Rutenberg, vice mayor of Alan-Shvud Settlement on the West Bank, resolutely declared. "This is the heart of Israel." No Israeli Government will ever be able to give this land back. "The exchange is not suitable," I. Rosenthal, vice mayor of Ari'el Settlement in Samaria, another part of the West Bank, told me. "We may give up the land, but there will be no peace." After all, the Arabs held these territories until 1967, but was there peace? The conflict's roots, according to Rosenthal, lie not in the argument about territories but in the fact that the Arab world denies Israel's right to exist. Lev (who did not wish to give his surname), a USSR citizen until recently and now a resident of this settlement, thinks the same: "If we give up the land, there will no Israel." Referring to his own experience of contacts with Arabs, he asserted that many Arabs favor a retention of the status quo because now they are living much better than before 1967.

Elat Municipality Secretary Dov Sharf assumes that the principle of "peace for land" evades the point. The point, he argues, is economic cooperation. An independent Palestinian state on the West Bank will be unable to exist economically. It will be unable to provide for itself. The poor find it difficult to deal with the rich. Life,

which is verging on destitution in modern terms, will inevitably be transformed into destructive energy and will become a destabilizing factor. It is therefore necessary to place the emphasis on the West Bank's economic integration and enhance living standards which, according to D. Sharf, will ease the demand for independence. He offers Elat, the "microcosm of the Near East," where the borders of Israel, Jordan, Egypt, and Saudi Arabia join, as an example of far-reaching economic collaboration.

I repeatedly heard the idea—a highly dubious one in my view—that an improvement of living conditions for Arabs who live "under Israel" will gradually force them to accept the existing situation. In this context, emphasis was placed on the artificial and hopeless nature of the "intifadah." People tried to convince me that it has a narrow social base (refugees, the dispossessed, Muslim fanatics, excited youths), that the "intifadah" is already losing momentum and will soon vanish...

The opposition holds what is considered to be a more liberal approach toward settlement. We, opposition leader and Labor Party Chairman Sh. Peres told me, are prepared to implement the principle of "peace for land;" we are prepared for territorial compromises, including the Golan Heights. The creation of settlements can be frozen. We do not believe that land and people can be divided and are prepared to recognize Judaea and Samaria—subject to their demilitarization—as part of a Palestinian-Jordanian confederation. We see no problem in having the Palestinian part of the joint Jordanian-Palestinian delegation agreed with the PLO.

In general, Sh. Peres summed up, we have no desire to dominate any other people. The Labor Party advocates a new Near East, mutually advantageous cooperation and joint security. It is not enough to just extinguish the fire. It is necessary to ensure that it never flares up again.

I. Anug, a retired career diplomat who introduced himself as skeptic and "dissident," also reasoned along similar lines. He is prepared to exchange peace for land, but gradually, without any haste, in small doses as it were. Let's take a look, Anug suggested: the Golan Heights. The first thing to do is to repeal the act extending the force of Israeli laws on former Syrian territory, then to recognize Syria's sovereignty, and so on...

G. Remez, Israeli Radio's foreign news editor, amazed me by saying that most Israelis are prepared to exchange peace for land. I tried to verify this opinion, comparing it against poll results. But I failed to obtain any unambiguous results...

The peace settlement program offered by Minister of Construction and Housing A. Sharon is something of an odd man out. Sharon is usually classed as an inveterate hawk. He personally disagrees with this description. I, Sharon said, have fought in all the wars forced upon Israel. I have worked my way up from soldier to general. I was seriously wounded on two occasions. I have lost many of my comrades in arms. I have seen the horrors of war. I am better aware of the importance of peace than many professional politicians.

Following this emotional introduction, the general outlined the four points of his program:

1. To immediately cease the arms race in the Near East. Any country wishing to participate in the peaceful settlement must voluntarily cease all arms purchases. At the same time, Sharon amplified, I would address other states with a request not to supply arms to the Near East.

2. To launch a process of democratization in the Arab world (gradual transition to a multiparty system, political pluralism, freedom of speech, and so on). There can be no lasting and long-term peace with dictatorial regimes.

At this point I remarked: What would have happened if, back in 1972, Nixon had told Brezhnev: "Listen, Lenya, push for democratization first, and then we'll sign the Strategic Arms Limitation Treaty"? The general laughed: After all, he does not demand complete democratization—let them take at least the initial steps.

3. Over the last 40 or so years, Israel has accepted approximately 1 million refugees from Arab countries. They all ceased being refugees a long time ago and are now living a normal and meaningful life. About 800,000 Palestinian refugees have moved to Arab countries over the same period. But the Arabs are unwilling to absorb them, artificially maintain their refugee status, and condemn hundreds of thousands of people to suffering. If the Arab countries want peace, they must put an end to this situation and solve the refugees problem.

4. The headquarters and training centers of terrorist organizations (PLO, "Hamas" [Islamic Resistance Movement], and others) in all Arab countries must be immediately closed down.

Let us assume, I said, that the Arabs accept your program; they will end up with a lot of democracy and a few weapons. Does this mean that the Jews will free the territories occupied in 1967? Under no circumstances, the general firmly snapped. Not "peace for land" but "peace for peace." This is fair.

And everything fell in place... The Sharon program rules out any concessions, any compromise. No wonder Sharon was one of the three ministers who voted against Israel's participation in the Madrid conference.

Pay attention. There are differences between the three approaches to peace settlement. But there is also a similarity. A similarity on the main point. "No" to an independent Palestinian state and "Yes" to Jerusalem as Israel's capital. Theoretically one could imagine a peace settlement even on these conditions. But such a settlement—even if it were possible in principle—lies really far off in the future. For the time being, the majority of interested sides are thinking in terms of a different system of political coordinates.

The Palestinians' position was described to me by F. al-Husayni, recognized leader of Arabs from the occupied territories. The Palestinians, despite all the pressure they are under, are going to the conference to uphold their rights and gain success. If everything goes according to expectations, a final settlement formula will emerge in six years' time. In al-Husayni's opinion, this means that Israeli troops will withdraw from the West Bank and the Gaza Strip and an independent Palestinian state will be created in confederation with Jordan. East Jerusalem will become the new state's capital. As regards Israeli settlers, those who wish to stay behind will have to take Palestinian citizenship. And one more point. We are against "purely" Jewish and "purely" Arab settlements. Everyone will be able to live wherever he wants.

I could not share this optimism but, for understandable reasons, refrained from objections...

Be that as it may, the conference is drawing near. Heated debates are continuing, increasingly skeptical tones predominate. "What will the conference produce?" This is what I asked Dr. D. Gold, leader of the Tel Aviv University Strategic Studies Center Study Group for Foreign and Defense Policy Questions. "A lot of photographs," he replied. "A lot of photographs with smiling faces." But keeping our feet on the ground, Gold went on to add, two objectives are attainable at present: 1) To avoid a new war, and 2) to gradually work on confidence-building measures.

While explaining to me why mutual understanding is so difficult to achieve, well-known journalist J. Hammad (he is Palestinian and represents the U.S. weekly magazine TIME in Israel) cited the words spoken by Israel's first President C. Weizmann: This is not a case of one party being right and the other being wrong; this is a case of both being right. Precisely.

In abstract terms, one could suggest three scenarios for the further development of events:

—a breakthrough to a lasting and stable settlement;

—a sharp deterioration of the situation, crisis, and war;

—maintenance of the status quo.

The first option, as we will soon see, is virtually impossible. Neither the Jews nor the Arabs are ready to establish a lasting and fair peace.

The second can and must be avoided. The recent calls for violence, bloodshed, and the destruction of Israel that emanated from Teheran and Tripoli and the extremist and uncompromising positions of Palestinian movement leaders like G. Habash and N. Hawatima belong to the past. The end of the cold war and the emerging trends toward reducing the relative weight of violent methods in international life will make it possible to block any potential aggressors.

We are left with the third—neither peace nor war. And it will be maintained until such time as Israel and its Arab neighbors produce a new generation of leaders capable of placing their countries' genuine interests above the traditions of mistrust, enmity, and hatred.

Release of POW's in Afghanistan 'Moral Duty'

OW2910181591 Moscow INTERFAX in English 1710 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] In an exclusive interview with IF [INTERFAX] Vladimir Petrovskiy, First Deputy Foreign Minister of the USSR, stated that the forthcoming visit in November of a delegation led by the leader of the Afghan Islamic Association Burkhanuddin Rabbani may be of great significance if it deals with the problem of Soviet prisoners of war in Afghanistan. In his opinion, to help them out is both a political and moral duty.

East Europe

Shevardnadze on 1956 Hungarian Invasion

AU3010124291 Budapest NEPSZABADSAG in Hungarian 28 Oct 91 pp 1,2

["Exclusive" interview with Eduard Shevardnadze, chairman of the Soviet Foreign Policy Society and former Soviet foreign minister, by Laszlo M. Lengyel in Moscow; date not given: "No New Danger of Coup in Soviet Union—1956 Interference Should Have Been Condemned Earlier"]

[Text] Eduard Shevardnadze made an appearance at the congress of the political group led by deputy chairman Rutskoy, the People's Party of Free Russia (formerly the Democratic Party of Communists of Russia). Our correspondent in Moscow was granted an exclusive interview. Shevardnadze later also received Soviet and foreign journalists.

[Lengyel] Eduard Amvrosiyevich, from the point of view of future relations between our two countries, it was particularly important that President Gorbachev announced, through his press spokesman, that the Soviet leadership believed it was a political mistake to interfere in Hungary in 1956, and that it would soon be prepared to publish a new official assessment of these events. What is your opinion on that, as former Soviet foreign minister and as an outstanding expert today?

[Shevardnadze] As foreign minister, I repeatedly stated that the Soviet step taken in 1956 was the most brutal mistake possible—or, as we would say in today's political language, it was quite simply a crime, a criminal step.

[Lengyel] Could you tell us what role you played in this change?

[Shevardnadze] As far as the reassessment is concerned, you mean?

[Lengyel] Yes.

[Shevardnadze] My feeling that this reassessment was needed evolved and grew stronger. I did not conceal this, and I always expressed this belief whenever I could.

[Lengyel] Apart from the fact that we are commemorating an anniversary [the 35th anniversary of the 1956 revolution], how can we explain the fact that this announcement was made now—not sooner and not later?

[Shevardnadze] We should have done this sooner, much sooner.

[Lengyel] You are here as an observer and as one of the co-initiators of this democratic reform movement. What differences do you see between Rutskoy's party and the socialist party led by Medvedev and Denisov, which is also holding a congress at the moment?

[Shevardnadze] We have no precise information on the things that are happening at the other congress. I think that these are natural processes. Here, we are witnessing the formation of a party on the basis of known views and concepts; there, they are probably founding another party, but I am not familiar with their program, aims, or documents.

[Lengyel] One constantly hears about the danger of a new coup. Some people thought it would happen today, others predict it for January. Who do you think is spreading these rumors? Whose interests do they serve, and why?

[Shevardnadze] I do not know who is spreading these rumors. Why are they doing this? That is also a question. Someone would probably like... the situation to be unstable, at least. I, for one, do not think that a coup would stand a real chance in the near future. Admittedly, we are going through difficult times, and unless we succeed in achieving something useful for the people in the near future, we will have to face some serious difficulties.

[Lengyel] Could the democratic reform movement organized by yourself one day occupy the position currently held by the Democratic Russia movement? Will the former replace the latter?

[Shevardnadze] Why should it? We are not enemies; we are not even rivals. We will probably work together. We are democrats, and so are they (they are true to democratic principles). We will conduct parallel work to help create a democratic society.

[Lengyel] Is the Gorbachev era over?

[Shevardnadze] Why should it be over? He is the president, and he can achieve many more useful things if people support him in his efforts. If he can present people with plans that are good and feasible, plans that unite the democrats and the reform parties, then we will not say that his time is up.

Hungary Lauds Admission on 1956 Intervention

92UF0110A Moscow PRAVDA in Russian 24 Oct 91 p 5

[TASS report: "We Recognize 56!"]

[Text] Budapest, 23 Oct—A local radio announcement in the evening of 22 October was for Hungary a "long-awaited sensation." It will possibly be the point of departure for the shaping of new Hungarian-Soviet relations. What did the announcer say in the short evening news program? He informed listeners: "Andrey Grachev, leader of the press service of the president of the USSR, has announced that M.S. Gorbachev and the Soviet leadership unreservedly condemn and consider contrary to international law the Soviet forces' intervention in the Hungarian events of 1956."

This announcement was so important for the country that Hungarian Prime Minister Jozsef Antall, who heard it while returning to the capital by car from a small provincial town following the unveiling of monument to the victims of World War II and the 1956 revolution, immediately put out a statement. The head of the Hungarian Government joyfully welcomed the fact that official recognition by the Soviet side of the Hungarian revolution and the national liberation struggle of 1956 had become possible since the August events in the USSR.

West Europe

Gorbachev: No 'Grudges' Against Mitterrand

OW2910163991 Moscow INTERFAX in English 1501 GMT 29 Oct 91

["Diplomatic Panorama" feature by Mikhail Mayorov; transmitted via KYODO]

[Text] A high-ranking representative of the Soviet Foreign Ministry told DP [Diplomatic Panorama] that Mikhail Gorbachev hardly kept grudges against Francois Mitterrand for his unhasty reaction to the events in the USSR from 19 to 21 August. In the book *"The Putsch"* which has just been published in France, the Soviet president writes that to this day he regretted that he did not hear the French president's call when he got in touch with the world.

The Soviet diplomat said that the president had referred to an episode which aroused definite response in France but which did not influence either Soviet-French relations, or the personal contacts between the two presidents. After the August events Mikhail Gorbachev and Francois Mitterrand had a telephone conversation and exchanged messages. Soviet Foreign Minister Boris Pankin's recent visit to France showed that France was ready to give Moscow humanitarian and economic aid and was urging other members of the Western community to do the same. The Soviet Foreign Ministry official said that much of what was happening in France derived

from the political struggle on the eve of the election. In his opinion, all the fuss around the Communist Party of France, caused by the assertions that it had financial dealings with the former CPSU, reflects the efforts to keep it out of the limelight.

Speaking about the meeting between Mikhail Gorbachev and Francois Mitterrand in the southwest of France, the Soviet diplomat said that the French side would have an opportunity to evaluate the role and prospects of the USSR's central authorities as a future partner.

Mitterrand-Gorbachev Ties Unaffected by Coup

PM2910122991 Moscow IZVESTIYA in Russian 29 Oct 91 Union Edition p 4

[By correspondent Yu. Kovalenko: "Gorbachev and Mitterrand Meet"]

[Text] Paris—It has been announced in Paris that F. Mitterrand and M.S. Gorbachev will meet on Wednesday, 30 October, in France, in all probability in the village of Latche in the southwest of the country where the French president has a private residence.

After the Near East peace conference opens in Madrid, the Soviet president will stop over in France for a few hours en route to Moscow for an informal meeting with F. Mitterrand. Agreement was reached on this during USSR Foreign Minister B. Pankin's recent visit to Paris; he handed the French president a message from M.S. Gorbachev.

The program for the talks has not been announced officially as yet. According to French sources, however, the main points will be the situation in the Soviet Union, aid for our country, and matters pertaining to the future of the Soviet nuclear arsenals. Moscow backed Paris' proposal for this problem to be considered at a summit meeting of the European continent's four nuclear powers. To all appearances, they will also discuss B. Yeltsin's official visit to France scheduled for early 1992.

This will be the latest meeting involving Presidents Gorbachev and Mitterrand. Their last meeting was this July during the G-7 conference in London.

Local commentators claim that the visit to France at F. Mitterrand's invitation is important for M. Gorbachev. Given the continuing disintegration of the Soviet Union, the press writes, he has to once again show the republics' political leaders and public that one of the main tasks for the center and for him, the USSR president, is to represent the whole country in the international arena and defend their common interests.

Lastly, another element on which the mass media is commenting with might and main. By coincidence Gorbachev's book "The Putsch" has been published at this time in France by the Olivier Orban publishing house. Local commentators single out one passage from it. In Foros, the USSR president writes, I had a telephone conversation with President G. Bush. F. Mitterrand was due to telephone, but he did not. I regret that to this day.

In this connection people here are once again coming back to the Moscow putsch. Some believe that F. Mitterrand was somewhat "belated" in his condemnation of it and in his backing for the Soviet president. But this "episode" is most unlikely to affect the two statesmen's personal relations.

Pankin's Activities in Paris Reviewed

92UF0106A Moscow IZVESTIYA in Russian 24 Oct 91 Union Edition p 4

[By special correspondents B. Vinogradov, Yu. Kovalenko, and A. Ostalskiy: "B. Pankin's Paris Visit"]

[Text] Paris—USSR Foreign Minister Boris Pankin flew into Paris from Egypt upon the conclusion of his Near East tour. He will take part here in the signing of documents on an all-embracing settlement of the Cambodia conflict, which will take place in the International Conference Center in the latter half of the day on Wednesday. B. Pankin will also speak at a session of the UNESCO General Assembly being held in the French capital.

Finally, the Soviet minister will conduct a series of negotiations with French officials: President F. Mitterrand, Prime Minister E. Cresson, and Foreign Minister R. Dumas.

The signing of the final Cambodian documents, B. Pankin said in conversation with our correspondents at Orly Airport, brings to an end a most protracted and bloody international conflict. I would like to mention primarily the role of France and its president in this settlement process. But now all parties will have to work on fulfilling these agreements.

Within the framework of the official visit to France, during meetings with its leaders, the minister went on to observe, we will pay particular attention to the all-European process and the situation on the continent. But a principal item on the agenda for the upcoming negotiations will be the discussion of problems and prospects of Soviet-French relations. We will also study F. Mitterrand's proposal concerning a meeting of the nuclear powers for a solution of the nuclear disarmament question.

In Paris Boris Pankin is continuing to deal with Near East affairs also. On Wednesday morning he met with U.S. Secretary of State J. Baker, with whom he discussed questions of preparation of the international conference. The day before, before he had arrived from the airport even, he finally met at the Soviet ambassador's residence with PLO Executive Committee Chairman Y. 'Arafat.

Throughout the Soviet minister's tour of the Arab countries, the Palestinian leader had accompanied him like a shadow, being in Damascus, Amman, and in Cairo

simultaneously with B. Pankin. But a meeting was for some reason or other continually postponed.

The Palestinian side evidently wanted to first determine its position and confer with the leaders of other Arab countries. But if such actions evoked some misgivings in Soviet diplomatic circles, the meeting in Paris dispelled them. According to information from informed sources, it was held in a constructive atmosphere.

Upon its conclusion, Y. 'Arafat made a high evaluation of the joint actions of the superpowers aimed at convening a peace conference. "This very important meeting will undoubtedly take place at the end of the month in Madrid," he declared, "and will, as we anticipate, help a peace settlement in the region on the basis of international legality."

The restoration of full Soviet-Israeli diplomatic relations did not prevent Y. 'Arafat from making a positive evaluation of Soviet-Palestinian relations either. "We are proud of these relations," he said.

Shevardnadze, Cypriot President Hold Talks

OW2910164191 Moscow INTERFAX in English 1501 GMT 29 Oct 91

["Diplomatic Panorama" feature by Mikhail Mayorov; transmitted via KYODO]

[Text] On October 28, Eduard Shevardnadze met with President of Cyprus, Yeoryios Vassiliou, who is in the Soviet Union now. The press service of the Soviet Foreign-Policy Association, led by Eduard Shevardnadze, informed DP [Diplomatic Panorama] that the two figures discussed ways of settling the Cyprian problem and normalizing the situation in the USSR.

The two statesmen expressed the opinion that the problems of Cyprus and the USSR had very much in common because their settlement was unthinkable without stabilizing ethnic relations. Nowadays, ethnic conflicts are as dangerous for mankind as nuclear and ecological disasters, they stated.

Mr. Vassiliou believes that the solution of the Cyprian problem is of great significance for the USSR because, he said, the Christians and Muslims populating it must not repeat the fate of the people of Cyprus. Multi-ethnic states must not split into a multitude of small ones because this is fraught with enormous danger for the whole of mankind, he said.

The two statesmen agreed that there was real hope for favourable settlement of the Cyprian problem because the USSR and the U.S. had assumed a more constructive position. The fact that the next Commonwealth meeting will be held in Nicosia was qualified as positive.

Eduard Shevardnadze and Yeoryios Vassiliou made the conclusion that the people of the USSR could only move ahead together. Mr. Shevardnadze stressed that the top-priority task now was the creation of one economic and democratic system, and the construction of a "new Europe sprawling from the Atlantic to Vladivostok".

Speaking about the situation in the USSR the president of Cyprus said that the country's near prospects were rather gloomy and more distant ones—quite optimistic. He also attached great importance to the backing which the West could give the democratic reforms in the USSR.

German Economic Minister Arrives for Talks

LD3010084691 Hamburg DPA in German 0722 GMT 30 Oct 91

[Text] Moscow—Federal Economic Affairs Minister Juergen Moellemann (FDP) [Free Democratic Party] arrived in Moscow in the early hours of Wednesday morning for a day of talks. Among others, he plans to talk to Ivan Silayev, head of the Soviet provisional government, and Russian President Boris Yeltsin about Soviet reform policies and the Union's relationship with the republics in terms of the treaty on an economic community.

Another topic to be discussed is the development of economic cooperation in the fields of oil, gas, textiles, clothing, and the food industry. The maintenance and extension of trade between the new laender and the Soviet Union are also to be discussed.

Bundestag Voices Concern Over Nuclear Arms

PM3010100491 Moscow KRASNAYA ZVEZDA in Russian 25 Oct 91 Second Edition p 3

[By Major E. Fedoseyev: "Ukrainian Delegations Expected in Bonn"]

[Text] B. Wilz, chairman of the defense policy working party of the CDU/CSU [Christian Democratic Union/Christian Social Union] faction in the FRG Bundestag, who is in our country to exchange information on questions of security policy, gave a press conference yesterday at the FRG Embassy in the USSR.

During his visit B. Wilz was given the opportunity to meet with USSR Defense Minister Marshal of Aviation Yevgeniy Shaposhnikov. During the talk, they discussed questions of mutual interest, including the process of withdrawal of Soviet troops from Germany. B. Wilz noted with satisfaction that the withdrawal is proceeding strictly on schedule.

At the same time he voiced the German side's concern over the present situation in the Soviet Union and its Armed Forces and the associated possibility of nuclear weapons being spread around the sovereign republics. The Ukraine's position is the subject of particular attention in Bonn. Ukrainian delegations from the Ministry of Defense and Foreign Affairs are expected in the FRG next week, and the German side hopes that they will clarify their government's position.

B. Wilz then answered questions from Soviet and foreign journalists. In particular, at the request of KRASNAYA ZVEZDA's correspondent, he commented on an interview in the magazine DER SPIEGEL with K. Naumann, general inspector of the Bundeswehr, who advocates keeping a certain quantity of nuclear weapons on German territory.

In this case, B. Wilz said, it is a question of air-launched nuclear weapons. But the German side provides only the delivery vehicles. The nuclear weapons themselves are under the control of the American side alone.

As for land-based nuclear weapons, B. Wilz reaffirmed Germany's total renunciation of the possession of these weapons. But the question of the siting of nuclear weapons on the territory of NATO countries is still under discussion, and the responsibility for decisions today rests with the NATO nuclear planning group.

Italians Urge Study of CPSU 'Shadow Funds'

LD2910112591 Moscow TASS in English 1004 GMT 29 Oct 91

[By correspondent Aleksey Golyayev]

[Text] Rome October 29 TASS—Italian prosecutors are urging Soviet officials to set up their own international investigation into former Soviet Communist Party (CPSU) "shadow funds," providing financial support for "brotherly communist parties," including the Italian party. According to ANSA reports, Italian investigators in Rome are planning to hear from the Soviet journalist who first brought up the accusations, and will study CPSU and KGB archives.

In the meantime, Italian witnesses are being investigated, starting with Senator Emanuele Macaluzo, a prominent leader of the former Italian Communist Party (ICP) now replaced by the Democratic Left-Wing Party. He confirmed the CPSU did provide financial support to the ICP until the mid-seventies, when relations between the two parties worsened and the then secretary general of the ICP put an end to the practice.

Another politician, Armando Cossutta, Communist Party revival movement leader, is to be questioned soon by Italian prosecutors as addressee of considerable sums of money dispatched from the CPSU. LA STAMPA Moscow correspondent, author of a series of articles on the subject, Fabio Scuillante, will be questioned too, ANSA reports.

British Embassy To Retain KGB Agent-Chauffeur

LD3010114491 Moscow TASS International Service in Russian 1053 GMT 30 Oct 91

[Text] Moscow, 30 Oct (TASS)—The British Embassy in Moscow reacted calmly to a report in LITERATURNAYA GAZETA that the British ambassador's chauffeur, who has been in this post for about 20 years, was a KGB secret agent. We do not see anything unusual in this situation, Mr. Jones, head of the embassy press service, stated to the weekly.

Konstantin Demakhin will continue to work at the embassy, most likely in the same post, Jones stated.

Demakhin has been disowned by Leonid Kerestedzhiyants, head of the Diplomatic Corps Administration under the USSR Foreign Ministry, who stated that he did not work in his organization, but in the daughter firm "Inpredkadry." Demakhin's confession, the publication of which was completed by LITERATURNAYA GAZETA today, does not mean at all that all 8,000 employees of the firm are KGB agents, he said. According to Kerestedzhiyants, he is personally acquainted with a few employees of "Inpredkadry" and knows for certain that they are not secret service agents.

Supreme Soviet

New Council Chairman Addresses Deputies

LD2910142191 Moscow TASS in English 1328 GMT 29 Oct 91

[By TASS parliamentary correspondents Lyudmila Yermakova and Ivan Novikov]

[Text] Moscow October 29 TASS—The Council of the Republic of the USSR Supreme Soviet today elected member of the Kazakh deputation, People's Deputy of the Republic Anuarbek Alimzhanov as its chairman.

Following a preliminary discussion by delegations from all the republics, he became the only candidate to the post of speaker of the Union parliament's upper chamber.

Addressing the deputies, Alimzhanov stressed that he believed the council's main task was to help implement the Economic Treaty of Sovereign States. "The parliament's tactics are dictated by difficult developments throughout the country. The new society, appearing on the ruins of the totalitarian empire, needs concord based on sincere mutual respect among all our peoples," he noted.

Alimzhanov said he would be guided by principles of equality and democracy in his work.

Alimzhanov is a prominent writer, whose works are devoted to the history of the various peoples that used to inhabit the territory of Central Asia and Kazakhstan in ancient times. Today he is exerting much efforts to promote international relations.

Decision on Defense Credit Allocation Postponed

LD2910152391 Moscow TASS International Service in Russian 1335 GMT 29 Oct 91

[Text] Moscow, 29 Oct (TASS)—Deputies of the Union Supreme Soviet postponed today an examination of the USSR president's request concerning the allocation of a 30 billion rubles' credit to the Union Ministry of Finance by the USSR State Bank. The reason for the postponement is that the president's appeal contains no indication as to how the money will be used. However, the press reported last week that what is involved is the supplementing of a budget deficit taking shape at the end of the year, or, in other words, the issuance of money amounting to 30 billion rubles.

Deputies decided to demand that the Ministry of Finance provide a full breakdown of how the 30 billion rubles is to be spent. Deputy Boldyrev even suggested that the USSR president's decision granting this credit should be suspended until is is clearly known how the money is to be spent. Nevertheless, the session voted for setting up a special group of deputies to study the situation. Only after its report is delivered will the Soviet of the Union return to the president's request and decide whether the issue of granting credit to the Union Finance Ministry should be put on the agenda as an urgent matter.

Union Council Deputy Chairmen Elected

LD3010095891 Moscow TASS in English 0902 GMT 30 Oct 91

[Text] Moscow October 30 TASS—The central parliament of new convocation has been in session for the eighth day. Today the parliamentary chambers gathered for separate meetings to continue to form standing commissions and to elect their leaders. Deputy chairmen of the Council of the Union were elected on Tuesday [29 October]. These are Yuriy Voronezhtsev, 36, a physicist, a USSR people's deputy from Belorussia and one of authoritative parliamentary experts on ecology, and Vladimir Adylov, 43, a USSR people's deputy from Uzbekistan and one of few representatives of workers in the parliament's standing commissions.

Political & Social

Gorbachev Interview: 'Historical Destiny' Link

PM3010104791 Paris LE FIGARO in French 28 Oct 91 p 3

["Extracts" from MOSKOVSKIYE NOVOSTI interview with Mikhail Gorbachev; place and date not given: ""I Shall Bear My Burden to the End""]

[Text] [MOSKOVSKIYE NOVOSTI] The emergence from the totalitarian system has been more complicated and distressing than anticipated. When you launched perestroyka, did you imagine that this process would lead today to the calling into question of the usefulness of the president of the Union?

[Gorbachev] I sometimes hear it said that the USSR president's desire is to amass as many powers as possible. I cannot accept that. Otherwise I would not have launched perestroyka: No one in the world had more powers than I did in 1985. (...) Without accord the civil conflicts, which are so dire, would increase. I cannot conceive that we could have decided under the pressure of these conflicts to take a step backward. (...)

[MOSKOVSKIYE NOVOSTI] The alternative is often still couched in the same terms: either a center, or the independence of the republics. Is it impossible to conceive of a new "center" whose role would be to harmonize the interests of the sovereign republics?

[Gorbachev] I agree entirely. This is a central problem. Its solution will largely determine the fate of us all. The alternative is no longer between retaining the federal "center" and the existence of the republics as sovereign

states, because their sovereignty has been achieved. The alternative is this: Either we really overcome our common misfortune together, or we all split up. (...)

"Consensus Alone"

However, that must not be confused with the disintegration of relationships at the heart of the Union. It is a question of a new image of the "center": Not a despotic "center" commanding the republics in an arbitrary fashion but a coordinating "center" endowed by the republics themselves with an intermediary role. (...)

[MOSKOVSKIYE NOVOSTI] What exactly do you envisage for the future: a federation, a confederation, or a free association of states?

[Gorbachev] Why can a state not be formed on a basis which is part federal and part confederal but also with elements of association? (...) Since there must not be a unitary state there can be no question either of a unitary method of adherence to the community. (...) It is no longer a question of the authority of force but of the force of authority, the authority of decisions elaborated jointly and adopted voluntarily. No subordination of the minority to the majority. Only consensus. (...)

[MOSKOVSKIYE NOVOSTI] Is a "center" really necessary? Is it not possible to conceive of a network of bilateral or multilateral accords?

[Gorbachev] As I have already said, our peoples are linked by the same historical destiny. As a result of the misfortunes which afflicted us within the bounds of the former totalitarian empire, there is now a community. We have inherited an unprecedentedly dense network of mutual relationships and we must remain together and continue to advance in close ranks.

There are people in Russia, including within Boris Yeltsin's entourage, who believe it necessary to secede, like the other republics, and to live as an autonomous entity. Yet another intellectual utopia, and one of the most dangerous! Russia will not be able to leave by itself. Perhaps in a few years... But today such isolationist plans are too dangerous. For the other republics, including the Ukraine, isolationism is a catastrophe. (...)

[MOSKOVSKIYE NOVOSTI] Measures are also needed to reduce the weight of the "military-industrial complex" within our economy...

[Gorbachev] The "new thinking" in the sphere of international relations and the disarmament process lead us to this conclusion: What is the point of such a huge army? Why devote to it the best resources, the most skilled personnel, the best scientific expertise, and vast financial resources? All that represents one-third of our society, perhaps even one-half. Military reform is inevitable: We cannot live with an "overmilitarized" economy.

[MOSKOVSKIYE NOVOSTI] Why could Russia not assume the role of the "heir to the USSR"?

[Gorbachev] As soon as Russia tried to "give orders," all the sovereign republics became worried. "What is the aim of this?" they said. "The rebirth of an empire?" This reaction was not directed against Russia and the Russian people. The majority of the republics are prepared to recognize Russian leadership. On condition that this is organized within the framework of a new Union and through the medium of new federal institutions.

Matters must be perfectly clear because the greatest problem is in our own heads and in our habits. This need for a mental revolution has always determined my political conduct. I have a very precise idea of perestroyka: What was written in the political documents does not portray the scale and depth of the transformations envisaged. It was necessary to change the system and I realized that. But if I had said that from the beginning, without having prepared society for it, nothing would have happened at all. Such a movement toward new forms of existence would have provoked collisions. Look at the organizers of the putsch: They realized that they could not hold on to a power usurped without the mandate of the people.

[MOSKOVSKIYE NOVOSTI] Could you accept the idea of a reduction of your powers such as would result from the role of a "new center"?

[Gorbachev] Yes, I can see myself in this new role very well. I have no intention of abandoning an active political role. I shall bear my burden to the end.

SOVETSKAYA ROSSIYA on New Treaty

PM2210145791 Moscow SOVETSKAYA ROSSIYA in Russian 22 Oct 91 pp 1, 3

["Treaty on the Economic Community"—SOVETSKAYA ROSSIYA headline]

[Text] Independent states which were also former components of the USSR, irrespective of their current status,

expressing the will of their peoples for political and economic sovereignty enshrined in acts adopted by the states' supreme legislative organs in protection of citizens' interests,

wishing to establish mutually advantageous economic relations between the states,

striving for radical economic transformations and bearing in mind the common nature of the problems facing the states in connection with the tasks of emerging from the crisis, moving to a market economy, and entering the world economy,

and cognizant of the benefit of economic integration and a common economic space, and of the expediency of preserving economic, trade, scientific, technical, and other relations,

conclude this Treaty on the Economic Community.

Chapter I. Basic Principles

Article 1. The Economic Community is set up by independent states on the basis of voluntary participation and the equality of all its members' rights with a view to forming a unified market and pursuing a coordinated economic policy as an indispensable condition for overcoming the crisis.

Article 2. Membership of the Economic Community will entail adoption by the independent states of all the commitments and acquisition of all the rights envisaged by this treaty.

The member states of the Economic Community shall proceed on the basis of their mutual economic responsibility for the fulfillment of this treaty and shall refrain from any steps prejudicial to the execution of this treaty as a whole or certain of its provisions.

Article 3. Mutual relations between the Economic Community and states which have seceded from the USSR and have not joined the Economic Community shall be based on the generally recognized principles and norms of international law. Questions of common interest to the Economic Community and requiring settlement shall be decided by special agreement between the Economic Community and the state in question, such agreement to be concluded no more than three months from the time this treaty comes into force.

Article 4. A member state of the Economic Community is entitled to withdraw from the community. It is obliged to give the other Economic Community members no less than 12 months' notice of its intention. Withdrawal from the Economic Community shall be conditional upon the settlement of relations with respect to all membership commitments in accordance with a special agreement.

Article 5. Economic Community members states shall agree to harmonize economic legislation and to implement a coordinated policy in the following spheres:

entrepreneurial activity;
the goods and services market;
transport, power generation, and information;
the monetary and banking system;
finance, taxes, and prices;
the capital and securities market;
the labor market;
customs regulations and tariffs;
foreign economic relations and currency policy;
state scientific, technical, investment, ecological, humanitarian, and other programs including the elimination of the consequences of natural disasters and catastrophes of common interest to the Economic Community;
and standardization, patents, metrology, statistics, and accounting.

Article 6. Economic Community member states shall pledge not to allow unilateral, uncoordinated actions to divide up property deemed to be jointly owned.

The composition of this joint property shall be determined by a special agreement.

Article 7. In order to implement a coordinated economic policy and general measures to emerge from the crisis the Economic Community member states shall set up community institutions vested with the appropriate powers.

Article 8. This treaty shall be concluded for a three-year term. Not later than 12 months before this term expires the Economic Community member states shall decide whether to extend or alter this treaty or to conclude a new one.

Chapter II. Entrepreneurial Activity

Article 9. Economic Community member states recognize that the basis for boosting the economy is private ownership, freedom of enterprise, and competition. They shall create conditions conducive to business activity and shall legislatively restrict state interference in enterprises' economic activity.

Article 10. Economic Community member states shall pledge to ensure on their territories an identical legal regime covering the implementation of economic activity by physical and legal persons either from their state or from any other Economic Community member state. The conditions of the legal regime can be specified on the basis of bilateral and multilateral agreements.

Article 11. Economic Community member states shall pledge to implement a coordinated antimonopoly policy and to promote the development of competition within the framework of their united market.

In the transitional period the Economic Community member states shall implement coordinated actions to regulate prices of output produced by monopoly producers.

Chapter III. Movements of Goods and Services, Prices

Article 12. Movements of goods and services on the territory of Economic Community member states shall be unrestricted and not subject to customs duty.

Imports of goods from third states shall be subject to customs duty in accordance with the rates set by the Economic Community unified foreign customs tariff.

Article 13. Striving to shape a unified market, the Economic Community member states recognize the impermissibility of restricting movements of goods and services, and pledge to remove such restrictions within an agreed period.

Article 14. Economic Community member states shall pursue an agreed policy of moving to free pricing. Economic Community member states shall apply agreed prices to a jointly defined list of products.

Chapter IV. The Monetary and Banking System

Article 15. Economic Community member states recognize that agreed actions in the sphere of monetary and credit policy are of priority importance in order to emerge from the crisis and control inflation.

Article 16. Economic Community member states recognize the need to maintain the ruble as the common currency of the unified monetary system and agree to make efforts to strengthen it. Economic Community member states shall be permitted to introduce national currencies provided they fulfill conditions which rule out any possibility of the Economic Community's monetary system being damaged. These conditions shall be determined by special agreement between the state in question and the Economic Community.

Article 17. In order to elaborate and implement an effective monetary and credit policy to restrain price growth and support the ruble, Economic Community member states shall institute, on the principles of a reserve system, a Banking Union including the Economic Community member states' central national state banks, and shall set up an Interstate Emissions Bank under the Banking Union.

Article 18. The legal status of the Banking Union's administrative organs and procedure for their organization shall be determined by special agreement.

The Banking Union's activity shall be regulated by its statutes, which shall be ratified by the Economic Community member states' supreme legislative organs.

Prior to the adoption of the Banking Union statutes, administration of the banking system shall be exercised by a temporary board formed on a professional basis by the USSR State Bank and by the central national state banks of the Economic Community member states.

Article 19. The Banking Union shall be charged with the following functions:

determining unified approaches to the implementation of monetary and credit policy and establishing quantitative parameters quotas on the operations of Banking Union members' central national state banks;
determining interest rates for loans provided by Banking Union members' central national state banks to commercial banks;
determining reserve requirements for commercial banks;
organizing interbank transactions;
regulating the ruble rate vis-a-vis other currencies;
controlling that part of the gold and foreign currency reserves transferred to the Banking Union by the Economic Community member states;
organizing the supply of cash in circulation, including the sale of bank notes and coins;
and regulating the general rules covering commercial bank activity.

The Banking Union shall set quotas for the amount of credit which Economic Community member states' central national state banks can provide to budget systems in 1992.

Directives issued by the Banking Union's administrative organs shall be binding on all Banking Union banks.

Article 20. In setting up Banking Union, the Economic Community member states consider it necessary to determine in a special agreement the procedure for transferring to them and to states not members of the Economic Community the corresponding proportion of the former USSR banking system's statutory, reserve, and other funds, and its share of joint-stock capital in limited liability companies, deposits, and the gold, diamond, and foreign exchange reserves.

Article 21. Economic Community member states shall set up a Supreme Banking Inspectorate on the basis of equal representation, charging it with:

monitoring the observance of the Banking Union and Interstate Emissions Bank statutes;
hearing appeals from Economic Community members about infringements of their interests;
and annulling and suspending Banking Union decisions which contravene its statutes.

The Banking Union and Interstate Emissions Bank are obliged to submit to the Supreme Banking Inspectorate on demand all necessary documents and materials.

Supreme Banking Inspectorate decisions adopted within the limits of its jurisdiction shall be binding on the Banking Union and the Interstate Emissions bank.

Chapter V. Finance and Taxes

Article 22. Economic Community member states shall pursue a coordinated budgetary and fiscal policy, which shall envisage:

the agreed restriction of consolidated state budget deficits taking account of nonbudgetary funds, and the setting of growth limits for the Economic Community member states' internal debt. In the event of a state no longer being able to place its securities or of the set limits

being exceeded by one or several Economic Community member states, the excess amount shall be deemed to constitute a debt repayable to the other members under agreed rules;

the unification of the principles of taxation and an agreed policy in the sphere of taxes affecting the interests of other Economic Community member states.

Article 23. Economic Community member states consider it necessary to conclude an agreement on dividing up and legally reordering USSR state internal debt as of an agreed date among the Economic Community member states and nonmember states, and on the procedure for servicing that debt in the future. Some of the debt could be made the general responsibility of the Economic Community member states. At the same time, an agreement shall be concluded on distributing centralized credit resources among the states' banks. State internal debt shall be determined by taking account of state budget indebtedness to the banks on the basis of price differentials for agricultural products as at 1 January 1991.

Economic Community member states shall reaffirm the continuity of commitments made on the USSR's behalf to holders of deposits at the USSR Sberbank [Bank for Labor Savings and Credit to the Population] USSR state securities, USSR Sberbank certificates, and insurance policies bonds issued by the USSR Main Administration for State Insurance.

Article 24. Economic Community member states shall create an Economic Community budget to finance joint expenditure, including expenditure on the upkeep of Economic Community institutions.

The following special funds shall be set up within the framework of the Economic Community budget:

a fund to service that part of USSR state internal debt devolving to the joint responsibility of the Economic Community member states;

a fund to service the USSR state foreign debt and the Economic Community foreign debt where denominated in rubles;

a fund for emergency situations and the elimination of the consequences of major natural disasters and catastrophes such as Chernobyl, the Aral Sea, the Spitak earthquake, and others;

a targeted programs fund;

and a financial reserve.

The Economic Community's budget shall be drawn from its membership dues, determined as set sums. The size of these set dues and the procedure for their formation shall be determined by a special agreement among the Economic Community members.

The Economic Community budget cannot go into deficit.

Each quarter the Interstate Economic Committee reports to the Council of Heads of Government of the Economic Community Member States regarding implementation of the budget.

Article 25. Economic Community member states can establish nonbudgetary funds to finance targeted programs. Economic Community nonbudgetary funds cannot go into deficit.

Article 26. Economic Community member states recognize the need to implement targeted programs to promote the development of certain regions and provide social support for their population. To this end they shall establish a corresponding fund by diverting an agreed proportion of the national income GNP in current prices produced on their territory. This fund's activity shall be regulated by a special agreement and by statutes.

Article 27. Economic Community member states agree that the regulation of the movement of monies and other financial resources, and the issuance and circulation of securities within the Economic Community framework shall be implemented in accordance with a special agreement not excluding the free movement of capital.

Chapter VI. The Labor Market and Social Guarantees

Article 28. Economic Community member states shall strive to implement the principle of the free movement of labor on Economic Community member states' territory and shall consistently create the conditions therefore, including the establishment of a housing market.

Article 29. Economic Community member states shall not permit discrimination against citizens on ethnic or other grounds as regards job offers, pay, or the provision of other working conditions and social guarantees.

Economic Community member states shall recognize workers' educational standards and qualifications obtained from other Economic Community member states and shall require no additional confirmation of same for acceptance to a job or course of study, unless such condition be binding on all applicants.

Economic Community member states agree that their citizens shall not require visas for travel within community territory.

Article 30. Economic Community member states shall conclude special agreements to regulate migration processes and mutual commitments in the sphere of social welfare and pension provision for citizens of Economic Community member states.

Chapter VII. Foreign Economic Relations and Currency Policy

Article 31. Economic Community member states agree to coordinate foreign economic activity and currency policy.

Article 32. The Economic Community, as legal successor to all USSR foreign economic commitments, and of other countries' commitments to the USSR, guarantees their fulfillment. Each Economic Community member state reaffirms upon joining the Community its participation in the joint fulfillment of these commitments.

Economic Community members shall establish a bank to be the legal successor of the USSR Vneshekonombank [Bank for Foreign Economic Activity] and, through it, shall conduct transactions relating to the repayment of foreign debt by the Economic Community and the receipt of debts from other countries.

The Economic Community undertakes to regulate all relations regarding foreign debts with each USSR component which has not become an Economic Community member.

Economic Community members consider it necessary to conclude a special agreement to determine as of an agreed date the proportion of total USSR foreign debt payments payable by each component of the former USSR, and the amount due to each component in the shape of other countries' debts to the USSR.

These proportions shall be used in calculations pertaining to the repayment of debts by states not wishing to join the treaty or withdrawing from the Economic Community. These states shall conduct transactions with the Economic Community until their total debt is cleared.

In the event that a state not wishing to join the treaty, withdrawing from the Economic Community, or becoming a community member reaches agreement with all creditors to reschedule its proportion of the total foreign debt, this proportion of the debt shall be repayable by that state independently.

Article 33. The Economic Community shall obtain new foreign loans on the basis of an agreed decision among all Economic Community member states.

An Economic Community member state is entitled to obtain foreign loans independently, with all the ensuing consequences as regards servicing and repayment of such loans.

The granting by the Economic Community or some of its members of loans or other economic aid to foreign states shall be governed by the same procedure.

Article 34. Economic Community member states, using a common monetary unit, agree that the community's immediate goal is internal ruble convertibility. They pledge to implement the necessary preparatory measures based on a coordinated program for the transition to internal ruble convertibility.

Article 35. Prior to the transition to internal ruble convertibility, Economic Community member states recognize the need to establish a unified procedure for accumulating foreign exchange revenue in order to service foreign debt.

Article 36. Economic Community member states shall independently regulate foreign economic activity, quota setting, and the licensing of foreign economic operations within agreed quotas.

Article 37. Economic Community member states agree to retain a unified customs territory for the Economic Community and shall implement a coordinated customs policy vis-a-vis third countries.

Questions connected with the procedure for setting and levying customs duties and export and import taxes for the relevant budgets shall be decided by special agreement.

Article 38. Economic Community member states agree to common membership of the IMF, the International Bank for Reconstruction and Development, GATT, and other international economic organizations, and reaffirm the validity of the corresponding applications made by the USSR.

Economic Community member states can also be individual members of these organizations.

Article 39. Economic Community member states shall pursue independent policies in the sphere of foreign investment and, if necessary, coordinate those policies. Economic Community member states shall also coordinate their actions in the sphere of technical, consultative, and other kinds of aid from foreign states and international organizations.

Chapter VIII. Legal Regulation of Economic Activity

Article 40. In the Economic Community member states the legislative acts of these states have supremacy. Physical and legal persons engaging in economic activity on the territory of these states shall be guided by their legislation.

Article 41. During the term of the treaty the Economic Community member states shall agree to harmonize the norms of their economic legislation with a view to establishing more favorable and equal conditions for enterprise and free trade throughout the Economic Community. They shall pledge to ensure that their legislation corresponds to the norms of international law and Economic Community acts.

Article 42. In the event of this treaty, agreements [appended] to it, or normative acts adopted by Economic Community institutions within the limits of their jurisdiction establishing different rules from those contained in Economic Community member states' legislation, priority shall be deemed to reside in the Economic Community treaty, agreements, and normative acts.

Article 43. During the period required for Economic Community member states' legislation to regulate all aspects of economic activity, acts of USSR legislation shall be temporarily utilized regarding unregulated issues under an agreed procedure, provided such legislation does not contravene this treaty or other agreements.

Chapter IX. Economic Community Institutions

Article 44. The Economic Community's institutions shall consist of:

a Council of the Heads of Government of the Economic Community Member States;
an Interstate Economic Committee;
the Banking Union;
and an Economic Community Court of Arbitration [arbitrazh].

Economic Community institutions shall be staffed along professional lines by representatives from the Economic Community member states.

Article 45. The Economic Community's supreme coordinating organ shall be the Council of the Heads of Government of the Economic Community Member States.

Regular conferences of ministers of the Economic Community Member States shall be held to resolve question of collaboration and elaborate a common policy on specific spheres of economic activity.

Article 46. The Interstate Economic Committee is the Economic Community's executive organ. Within the limits of its jurisdiction it shall ensure resolution of the Economic Community's tasks as defined by this treaty and agreements, and also by decisions of the Council of the Heads of Government of the Economic Community States.

The Interstate Economic Committee shall publish an annual economic report.

Article 47. The Interstate Economic Committee shall be headed by its chairman.

The Interstate Economic Committee chairman shall be nominated by the Council of the Heads of Government of the Economic Community Member States and relieved of his duties by a council of the heads of the Economic Community member states by a specific majority vote.

The Interstate Economic Committee chairman submits the committee's statute, structure, and estimated expenditure to the Council of Heads of Government of the Community Member States for approval.

Article 48. The Economic Community Court of Arbitration shall be established in order to resolve disputes and apply economic sanctions with a view to ensuring the uniform implementation of this treaty throughout the territory of the Economic Community member states.

Chapter X. Agreements

Article 49. Economic relations among Economic Community member states shall be regulated on the basis of this treaty and the agreements [appended] to it.

Article 50. Within no more than three months of the signing of this treaty and for the duration of same, agreements shall be concluded on the following issues:

on the status and powers of Economic Community institutions;

on the establishment of the Banking Union, including its statutes;

on the Economic Community's Vneshekonombank;

on the regulation of ownership rights in the Economic Community;

on the harmonization of Economic Community member states' legislation regulating economic activity;

on the regulation of migration processes;

on the establishment of a fund for regional development and social support for the population, including its statutes;

on the creation of nonbudgetary funds to finance Economic Community targeted programs and the provisions on them;

on the settlement of states' reciprocal commitments upon withdrawal from the Economic Community;

on the movement of capital and securities;

on antimonopoly policy within the framework of the Economic Community member states' unified market;

on reciprocal commitments in the sphere of pension provision and social welfare;

on scientific and technical cooperation;

on the patents service;

on the procedure and conditions governing the introduction of national currencies by Economic Community member states;

on the procedure for moving to the general principles of international economic relations with states which were members of the USSR and are not members of the Economic Community;

on the division and legal reordering of the USSR state internal debt and the procedure for servicing it in the future;

on the principles and mechanism for servicing the Economic Community's foreign debt;

and on the procedure for resolving property and other disputes.

Article 51. Agreements shall be concluded for the duration of one year or another agreed term on the following issues:

on the Economic Community budget;

on an agreed policy in the sphere of taxes affecting the interests of Economic Community member states;

on customs policy and customs tariffs;

on the maximum level for Economic Community member states' consolidated budget deficits;

on prices and volumes of goods shipments under reciprocal interstate contracts and for general requirements;

on the setting of limits on the growth of the Economic Community member states' internal debt and the procedure for settling debt obligations;

and on cooperation in the event of emergency situations.

Chapter XI. Associate Membership of the Economic Community

Article 52. With the consent of the Economic Community members a state assuming only some of the obligations defined by this treaty may be granted the status of associate member of the Economic Community.

Article 53. The conditions for states to join the Economic Community as associate members shall be determined by members of the Economic Community.

Article 54. Mutual relations between the Economic Community and associate members shall be regulated in each individual instance by a special agreement envisaging, in particular, the resolution of issues relating to customs regulations, interstate deliveries and prices, and participation in shaping the Economic Community budget and nonbudgetary funds.

Chapter XII. Final Provisions

Article 55. Economic Community member states shall be obliged to resolve questions relating to the violation of this treaty before the Economic Community Court of Arbitration in accordance with the powers vested in it, as well as through negotiation.

Economic Community member states which commit blatant violations of their obligations under the treaty or supplementary agreements to it in specific spheres may be subject to the repercussions stipulated in the agreements, up to and including expulsion from the Economic Community.

Article 56. The Economic Community shall welcome membership applications from states recognizing this treaty. New Economic Community members are admitted with the consent of all its members.

Article 57. By decision of the Council of Heads of Government of the Economic Community States certain states may be granted observer status.

Article 58. The treaty and the special agreements shall be subject to ratification by the Economic Community member states in accordance with their constitutions and shall come into force one month from the date of the ratification documents being lodged with the depositary state. Additional agreements shall not be subject to ratification and shall come into force from the moment of their signing.

Article 59. The treaty shall come into force after having been signed and ratified by no less than three states wishing to join the Economic Community.

Done in Moscow 18 October 1991 in one copy in the Russian language.

In witness whereof the following plenipotentiaries have signed the present treaty:

[Signed] For the Republic of Armenia L. Ter-Petrosyan

For the Republic of Belarus S. Shushkevich

For the Kazakh Soviet Socialist Republic N. Nazarbayev

For the Republic of Kyrgyzstan A. Akayev

For the Russian Soviet Federated Socialist Republic B. Yeltsin

For the Republic of Tajikistan A. Iskandarov

For the Turkmen Soviet Socialist Republic S. Niyazov

For the Republic of Uzbekistan I. Karimov

President of the Union of Soviet Socialist Republics M. Gorbachev

Mechanism Envisioned To Pay Off Foreign Debt

OW2710021491 Moscow INTERFAX in English 1554 GMT 25 Oct 91

[From the "Business Weekly"; transmitted via KYODO]

[Text] At a meeting in late September, the heads of foreign trade ministries and agencies of the now sovereign states, which were formerly Soviet republics, initialed six protocols and drafted a message addressed to

Soviet President Mikhail Gorbachev. The aim of the meeting was to work out a system for collaboration as regards their external economic activities.

IF's [INTERFAX] economic analyst Valery Martianov has the details.

In their address to Mikhail Gorbachev, the heads of the foreign trade agencies of the former Soviet republics insisted that priority be given to devising a mechanism for paying off the Soviet Union's foreign debt. They reaffirmed their willingness to participate in servicing and paying off the country's foreign debt on the basis of negotiated quotas provided that they in turn receive an appropriate share of repayments of debts to the Soviet Union made by other countries.

It was also suggested that negotiations be started with the Soviet Union's major creditors on rescheduling payments owed by the USSR for 1991-1994.

Those attending the meeting also called for the speedy termination of "all forms of economic assistance" provided to other countries for political or ideological reasons, and demanded that President Gorbachev halt the sale to foreign countries of obligations to the Soviet Union until an agreement on a mechanism for resolving this problem is reached at the inter-republican level.

According to a well-informed source in the Ministry for External Economic Ties (MEET) of the USSR, the idea of holding this meeting came from Minister for External Economic Ties of Russia, Mr. Yevgeniy Filshin, who himself took an active part in the discussions.

This chain of events seemed to be confirmed on October 8, when Filshin's ministry came up with the proposal that the republic's Council of Ministers permit Russia's commercial enterprises to act as intermediaries in foreign trade. What's more, the message forwarded to Mikhail Gorbachev urged him, among other things, to revoke the decree of the USSR's Council of Ministers "State Regulation of External Economic Activities," which prohibited enterprises not owned by the central government from exporting anything but the products they themselves manufacture or importing anything but production inputs.

The six protocols initialled by the former Soviet republics covered the following points:

Protocol 1 recognizes the need for an inter-republican body responsible for the conduct of external economic policies, which would operate on the basis of equal representation of sovereign states and consensus decision-making. It would function during the transitional period (the 12 to 18 months required to put in place a permanent institutional framework provided for in the Agreement on an Economic Union). The protocol also proposes an organizational structure for inter-republican collaboration in external economic matters during the transitional period.

The Inter-republican Commission on External Economic Ties, with equal representation of all the republics, will be responsible for drawing up a common strategy of external economic activities. The commission will operate under the Inter-republican Economic Committee.

The commission will set up inter-republican councils responsible for specific areas of external economic activity. The council's decisions will serve as recommendations for the Inter-republican Commission, which, in its turn, will only be able to present recommendations to the Inter-republican Economic Committee.

It has been proposed that both the commission and the councils adopt decisions only by unanimous vote, the official at the USSR's MEET said. He added that such a suggestion is only a reflection of the current political situation, since it is utterly out of keeping with international practice and will make these bodies ineffective.

The proposed interim mechanism for inter-republican interaction in the external economic realm will include an Inter-republican Customs and Tariffs Council and its executive organ—Inter- republican Customs Committee. Both will be subordinate to the Inter-republican Economic Committee and coordinate their work with the Inter-republican Commission.

Protocol 2 sets forth suggestions with respect to the "External Economic Ties" section of the Agreement on an Economic Union.

The protocol reiterates the necessity for concerted external economic policies.

It is emphasized that the members of the new Economic Union confirm that the union is the legitimate successor to the USSR and will assume all obligations and claims arising from international economic agreements concluded by the latter.

The protocol suggests that the extension and receipt of loans in the name of the economic union should be referred to its members for approval.

The protocol refers to a single customs territory and the creation of a customs union with a single customs tariff and common customs regulations.

Experts believe, however, that the concept of a single customs territory is not defined in full conformity with generally accepted international practices. For example, the "External Economic Ties" section of the agreement permits independent quota- setting and licensing by republics, which will inevitably result in a break-up of the single customs territory and then of the common economic space. [sentence as received]

Participants in the meeting urged that monetary policies be coordinated to lay the groundwork for achieving two key objectives making the ruble internally convertible and then proceeding to external convertibility.

Protocol 3 deals with matters related to the transition to internal convertibility of the ruble.

January 1, 1992, is dismissed as an unrealistic date for this transition, and July 1, 1992, is mentioned instead as a workable date, provided, however, that the Soviet Union is able to negotiate a rescheduling of its debt payments and that foreign capital actively participates in setting up a stabilization fund for this purpose.

The participants in the meeting proposed a number of reforms which, in their view, would contribute to making the ruble internally convertible:

—introduction of a taxation system without revenue sharing between the center and the republics, with the republics transferring to the center only those foreign exchange earnings which they earmark for meeting their quota of foreign debt service payments;

—switch-over to price ratios prevailing on world markets;

—maintenance of a single ruble exchange rate in a situation where the ruble is retained as an interrepublican medium of exchange, while the sovereign republics introduce their own national currencies;

—broadening of commodity markets by selling off—among other things—real estate, land and unfinished construction projects.

It is also recognized that the issuance of money by the central bank should be controlled through a system of negotiated republican quotas.

Protocol No 4 deals with matters related to the creation of a customs union and its executive organs.

Protocol No 5 suggests ways in which republics would cooperate in training specialists in external economic activities.

Protocol No 6 considers the questions relating to the status and staffing of trade missions of the members of the Economic Union.

The network of trade missions of the USSR will be retained during the transitional period, and their diplomatic status will not be altered.

The staffing levels of specific trade missions will be adjusted to correspond to current volumes of trade and prospects for economic cooperation with the countries involved.

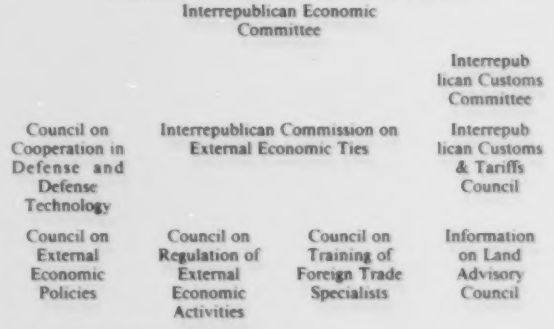
The financing of trade missions will be carried out by individual republics, with contributions dependent on the number of representatives they post at a given mission.

According to information provided by the USSR's MEET, the average cost of maintaining one representative in a trade mission abroad is $30,000 (excluding the cost of housing), with $12,000-14,000 in salary expenses, $3,000-4,000 in travelling and transportation expenses, and $13,000-15,000 paid for rent and maintenance of office buildings.

It stands to reason that not all republics will be willing or able to maintain representatives in all foreign countries, but even minimal expenses for a republic will amount to about $1 million.

On the other hand, limits have been set on the number of staff members a trade mission in any given country may employ.

Organisational Structure of Interrepublican Coordination in the Area of External Economic Activities during the Transition Period


Interrepublican Economic Committee
Interrepub lican Customs Committee
Council on Cooperation in Defense and Defense Technology
Interrepublican Commission on External Economic Ties
Interrepub lican Customs & Tariffs Council
Council on External Economic Policies
Council on Regulation of External Economic Activities
Council on Training of Foreign Trade Specialists
Information on Land Advisory Council
EXECUTIVE DEPARTMENTS
Department of trade and economic cooperation with foreign countries and day-to-day administration of trade missions
Department for cooperation with international organisations
Department for coordination of investment cooperation
Department for credit arrangements for external economic activities
Department for contractual and legal matters
Department of personnel and property management
Department for provision of information and advisory services

Agreement Defines Union, Belarus KGB Powers

LD2910205191 Moscow TASS International Service in Russian 1903 GMT 29 Oct 91

[Text] Moscow, 29 Oct (TASS)—A demarcation of powers between the USSR and Belarus KGBs and the ways in which they can cooperate have been defined in an agreement on the mutual relations between these departments during a transitional period. It was signed here on 28 October by Vadim Bakatin, chairman of the Union KGB, and Eduard Shirkovskiy, Chairman of the Belarus KGB, the USSR KGB's public relations center announced today.

The document stipulates the group of powers, within the framework of which the Union KGB retains an organizing and coordinating role, and spells out the spheres of cooperation between the two departments in intelligence and counterintelligence activities. The Union

KGB will also provide active assistance to the republican committee regarding information-analysis work and the training of professional staff.

Prosecutor Lisov on SCSE Investigations

PM2910125291 Moscow PRAVDA in Russian 26 Oct 91 pp 1, 3

[Interview with Russian Deputy General Prosecutor Ye. Lisov by G. Ovcharenko under the rubric "SCSE [State Committee for the State of Emergency] Case"—place and date not given: "Yevgeniy Lisov: 'The Investigation Is Working Toward the Truth...'"]

[Text] Since the sensational publication of transcripts of the putschists' interrogations in Germany's DER SPIEGEL, the progress of investigations into the SCSE [State Committee for the State of Emergency] case has become hedged about with a great many conjectures and rumors. Russian Deputy General Prosecutor Ye. Lisov answers a number of them, at PRAVDA's request.

[Ovcharenko] Yevgeniy Kuzmich, many lawyers I have spoken with are perplexed: Why is a single criminal case being investigated, let us put it like this, by three departments at once—the legislative and presidential commissions, and the prosecutor's office? Such duplication can only be harmful to the task in hand.

[Lisov] To be honest, I am perplexed too. But let us begin at the beginning. The process of organizing the investigation was completed at the prosecutor's office itself approximately two weeks after we instituted proceedings. An investigations group and operational support for it were set up, a special department for oversight of the investigation of this case was created, and the work got under way. But at about that time, as you rightly say, the USSR Supreme Soviet legislative commission was set up, with the task, as far as I know, of investigating the causes and circumstances of the coup d'etat and formulating measures of a legislative nature that would leave no possibility of even an attempted coup.

Is this work necessary? Yes, I think so. But for it to take place in parallel with the criminal procedural investigation of all the circumstances of the putsch is not beneficial to the task in hand. I personally take an extremely negative view of this. Because one way or another some degree of duplication in the investigation is bound to arise. They are trying to clarify the same points that interest us. All this is far from conducive to the observance of criminal procedural norms on the secrecy of the investigation, and in general it has an effect, of course, on the duration of the investigation.

Second, the legislative commission, on the basis of the law on its formation, demands that we make the investigation materials available. We resist this, since it is contrary to criminal procedural laws. The result is mutual misunderstanding and tension, which is also hardly beneficial.

Now, the presidential commission. As you know, it was set up by USSR presidential decree to investigate the KGB's role in the August events. Here too there are questions that should at least be discussed. Apart from the fact that once again there is duplication of effort, an ethical problem also arises. The USSR president is a witness in the case, yet if he sets up a commission he is entitled to monitor its work and find out what results it has achieved. Most likely there will also be interim directives of some kind. All this is perplexing.

[Ovcharenko] Indeed, the legal consensus...

[Lisov] In addition, there have been these tragic events for us, in connection with the publication of the investigation materials in DER SPIEGEL, and then there was a report in the newspapers that M. Gorbachev had given instructions for an official investigation to be conducted. But a witness in the case, even if he is the president, cannot, is simply not entitled, to issue any instructions on the matter.

[Ovcharenko] And if we compare this with the practice abroad—how do they decide such matters there?

[Lisov] To the best of my knowledge, they never have parallel investigations. If a criminal case is brought, it is investigated solely by the investigation organs. If an event occurs that provokes a very wide political reaction, so that it is necessary to discuss it at some political level and hear explanations of some kind, then a legislative hearing is held, after which, if it is deemed necessary, criminal proceedings are brought.

In our case, I feel there is a desire on the part of a certain group, especially among deputies, to become visible to society and to be closely involved with this historic case, if I can call it that.

[Ovcharenko] Yevgeniy Kuzmich, I understand that the secrecy of the investigation is not a mere whim of the prosecutor or investigator, but all the same, especially following DER SPIEGEL's publication, we would like to tell readers how the investigation is going and when the case will come to court.

[Lisov] The investigation is going as we planned. We expect to be putting the case materials on the table in front of the accused and their defense attorneys by the beginning of December. (Provided, of course, that unforeseen circumstances do not prevent us.) As for how much time they will take to study them—that is not up to us. Some defendants take a day over this, others take a month.

[Ovcharenko] Can you speak today about any preliminary findings of the investigation? For instance, many people, especially after DER SPIEGEL's publication, have formed the impression that the idea of the putsch was born at a drunken gathering one night.

[Lisov] I can tell you that actions of the kind perpetrated in the night of 18-19 August do not happen spontaneously, so to speak, in an instant. The preparations for the

putsch, let us be frank about this, were in progress earlier. Unfortunately I cannot now say in more detail when the preparations began. This question, by the way, is still being worked on, and the answer is very difficult. Tell me, who is going to want to admit that he was the initiator and organizer of the putsch? Nonetheless it is already clear that the plot did not originate suddenly. Certain documents were drawn up beforehand, and here is one detail: At first the committee had a different name—the Provisional Committee for Administration of the USSR. A special seal was manufactured. Several specimens were found at the heart of the president's apparatus.

[Ovcharenko] Boldin's apparatus, no doubt?

[Lisov] You guessed. There is also other evidence that the plot was prepared gradually and carefully.

[Ovcharenko] But then how can we explain the surprising carelessness in carrying it out? After all, the putschists had an enormous weight behind them...

[Lisov] The investigation has not finished, so some of my preliminary conclusions may not be confirmed. But for me personally, it is now clear that very many people at the heart of the KGB, the MVD [Ministry of Internal Affairs], and the Defense Ministry did not share the intentions of the organizers of the coup, and did not put their weight behind them. And when the organizers saw that they had no support even among their own people, that plunged them into confusion. Especially when they were faced with the necessity to shed blood, a lot of blood. No one wanted to take that decision.

[Ovcharenko] So what were they hoping for when they flew to Foros?

[Lisov] On 21 August? I think they were hoping that the president might forgive them. Each of them was trying, I believe, to forestall the others and show himself as a loyal associate, comrade, and devoted man. But much had already been brought to the president's notice by that time. Their flight to Foros was a desperate act, a last resort. After all, it was no accident that when Kryuchkov was given permission to fly out of Foros on the same plane as the president, he seemed to grow in stature in his own eyes, I have been told, and suddenly pushed everyone aside and was the first to approach the ramp. He evidently thought the president was giving him some kind of pardon.

[Ovcharenko] There are a lot of rumors at the moment about whether communications with the outside world were cut off at Foros.

[Lisov] Our team went to Foros specially to study this matter. The materials it brought back give us grounds to say that the president was indeed isolated. We have plenty of data and testimonies from witnesses, as well as other information to the effect that the president was unable to call out on any of the telephones that were there. Neither via the space link nor in any other way. And now an expert technical study is under way which will give a final answer to this question.

[Ovcharenko] There has been a lot of talk and hints in the press to the effect that not only the leaders of a number of republics, but also Gorbachev himself were in the know about the preparations for the August events... Was this discussed during the interrogation of the USSR president?

[Lisov] There is certainly talk to the effect that Gorbachev knew about the plotters' actions and had even given them the go-ahead—you act, he is supposed to have said, and I will see how it all turns out. But the investigation has no data to confirm this story, I can tell you that frankly and decisively. As for the USSR president's position, as far as we are concerned it is still unequivocal: He came out resolutely against the imposition of a state of emergency by unconstitutional means. Now about the republic leaders. Yes, the putschists had discussions with some of them prior to 19 August. The investigation is now seeking to clarify the nature of these discussions and how open they were. So let us not jump the gun.

[Ovcharenko] In fact, a number of lawyers say that Gorbachev should appear in this case as an injured party, and not as a witness.

[Lisov] It is debatable. True, Gorbachev was isolated for a time, and here he can be considered an injured party. But during those days you could say the whole country was in isolation. You see, it is not a question of a crime against Gorbachev personally, but of a crime against the state. And therefore the president is a witness in the case.

[Ovcharenko] Yevgeniy Kuzmich, the investigation is coming in for a lot of criticism in the press today. They say you do not give the attorneys access to your materials, you fail to respond to summonses to appear at the Russian Supreme Court, and so on...

[Lisov] I do not accept these criticisms. The investigation is proceeding in accordance with existing legislation. I could quote evidence in support of my words, but that evidence is already given in V. Demin's article "Attack Before Trial," which PRAVDA published on 17 October. Incidentally, thank you for publishing that: It is embarrassing to have to explain to people yourself that you are not a camel. In fact, the times we are living in, you would not be believed. But all this does not mean, of course, that the investigation is proceeding flawlessly. The episode of DER SPIEGEL was a body blow.

[Ovcharenko] Since that blow people have been heard demanding that the Russian general prosecutor, you yourself, and the entire investigative operations team should resign. What is your answer to that?

[Lisov] For us, of course, it is extremely unpleasant, to put it mildly, that there was a leak of materials from the team. Unfortunately there is still much that we do not know. USSR General Prosecutor Nikolay Trubin told

me that he had asked the chief editor of DER SPIEGEL to allow workers from the USSR Prosecutor's Office to go to West Germany to obtain additional information, but was refused.

[Ovcharenko] Yevgeniy Kuzmich, information has appeared in the press which is surprising from the legal point of view, namely that it is you who have been instructed to conduct the official investigation into this matter...

[Lisov] That is not information, it is disinformation. How can I investigate myself and my subordinates? So the official investigation is being carried out by entirely different people. But that does not mean, of course, that the fact of the leak does not worry me. We have to know what happened, how, and why. Was it real treachery, for instance, or something else? After all, in the capital certain institutions have special equipment by means of which, at a distance of hundreds of meters and literally through walls, you could transcribe the video recording of the interrogation from a monitor, both sound and picture. I cannot rule out that possibility, for instance. But in my view the possibility of treachery is more realistic.

[Ovcharenko] Lawyers investigating a case seek first of all the answer to this question: cui bono? What is your answer to this question?

[Lisov] There are many possibilities. For instance, material interest. Second, the attempt to exert some pressure in this way on the course of events and the eventual trial. I cannot rule out the possibility that the information leak was staged in order to bring about the resignation of the Russian general prosecutor, myself, and the entire investigation team.

[Ovcharenko] Do you have grounds for that statement?

[Lisov] I have one reason: The investigation team is working to establish total clarity and truth in this case. It is no secret that there are many influential people at liberty who have some kind of interest in ensuring that this does not happen. And I would venture to assert that they are not sitting idle. If anyone has an interest in ensuring that the trial in the SCSE case takes place behind closed doors, it is these forces.

[Ovcharenko] And who decides what form the trial will take?

[Lisov] That is decided by the actual court charged with examining the case. But both I myself, and Valentin Stepankov, as well as all our investigators, insist that the trial of the putschists should without fail be held in open court. And here we fully support PRAVDA, which was the first to demand this publicly.

[Ovcharenko] How are the defendants?

[Lisov] I understand what lies behind that question, and I can state firmly that the conditions in which the defendants are being held are fully in accordance with our legislation. All the rumors that they are sharing a cell with hardened criminals are fabrications. Their attorneys are allowed access to them any time of the day or night, they are allowed visits from relatives, and they receive parcels.

[Ovcharenko] What is A. Lukyanov's state of health?

[Lisov] Without going into medical terminology, I can tell you that the functions of the extremities on his left-hand side are impaired—his arm and leg, his eye. The doctors say that this is a long-standing complaint. He was in hospital before, then his condition improved, but recently, after he was visited by members of the parliamentary commission, his condition deteriorated again. Today, I am glad to say, his health is better and he is back in the detention center.

[Ovcharenko] It is said that some of the defendants are refusing to give evidence.

[Lisov] Only Lukyanov has given no evidence as yet. True, the other day he made a statement in connection with the NEZAVISIMAYA GAZETA report that A. Lukyanov had supposedly given an interview to French journalists in the detention center. In his statement Anatoliy Ivanovich refuted this report. The others are willing to have contact with the investigators, but of course, they are certainly not telling all they know, openly. But that is their right.

[Ovcharenko] Many attorneys in the SCSE case are today saying that there is absolutely no justification for keeping their clients in custody.

[Lisov] That is what attorneys are for. But let us look at the problem realistically. True, the majority of the defendants are men of a certain age, and their state of health is what you would expect, and they are not likely to try to evade the investigation. All that is true. But you will agree that these people are still influential in certain circles and, if they were at liberty, they could actively hamper the investigation one way or another. That is one thing. Second, I am not saying suicide attempts are likely, but the possibility cannot be discounted. And, third, I repeat, there are a good many people at liberty who have an interest in silencing our defendants permanently. For those reasons we have come to the conclusion that it is better for everyone if they remain in custody at the detention center.

[Ovcharenko] Telman Gdlyan has claimed that they are playing a game with the putschists. He says that the aim is to come to terms with them and promise leniency, and then go back on it and have them shot.

[Lisov] There are no grounds for such suggestions. The investigation is in the sole control of the USSR and Russian general prosecutors. We are not reporting the progress of the investigation to anyone else. Nobody, for instance, has called me, as they used to do in the old days, nobody has made any recommendations or issued any instructions. And the assertion in KURANTY that

"the investigators are acting according to special instructions from the Kremlin" is ridiculous. I can therefore state firmly that no pressure is being brought to bear on the defendants via the investigators...

[Ovcharenko] But there are also the attorneys, they have contact with the defendants in private...

[Lisov] I don't know, I don't have much contact with the attorneys, our relationship is purely official. And, to be frank, I do not think well-known, experienced attorneys would agree to act as intermediaries in this. But I would like, via your newspaper, to advise the defendants—and they read PRAVDA—not to believe any promises, if, of course, any promises are made. Let them follow their own tactics, act according to their personal position. But I think our defendants, who are people with vast experience of life, understand all this very well and are not likely to make any kind of deal with anyone.

[Ovcharenko] One last question, Yevgeniy Kuzmich. What is your advice to those who write about the SCSE case, and to those who read what they write?

[Lisov] The writers should write the truth...

[Ovcharenko] Yes, but we have no access to reliable information. We don't work for DER SPIEGEL, if you'll excuse my saying so.

[Lisov] You've scored a point there. Yes, we doubtless were somewhat to blame there. Incidentally, in the initial stages of the investigation we kept in contact with the press, but th n the journalists crowded round to such an extent that we had to choose: Either get on with our work, or give interviews. And I personally started avoiding correspondents, to put it mildly. But no doubt that was wrong. We should let the readers know everything we can—then there will be fewer absurd rumors. You see, by giving an interview to PRAVDA now, I am correcting this blunder. And another thing: If journalists get hold of any information, we are always prepared to comment on it.

[Ovcharenko] And what would you want the readers to do?

[Lisov] To learn to distinguish truth from conjecture and not try to read between the lines what isn't there. And I would like to say that the situation in society is very difficult now, I am very well aware of that. We receive a great many letters in connection with the August events. Characteristically, 60-70 percent of the letter writers support the plotters. What does this show? First and foremost, a nihilistic attitude to the law. No way can you justify the plotters, however good the ends they pursued, because the putschists patently broke the law. But the objectives they were planning in their documents evidently gave people hope of an improvement in their situation.

[Ovcharenko] The editorial office receives similar letters. I do not think the writers can really be accused of anything. You will agree that the perestroyka years have brought people little benefit. Many of them do not care who comes to power or how, as long as order is imposed in the country, goods and food products appear, crime is reduced, the interethnic wars are stopped...

[Lisov] I agree, you cannot condemn people for wanting to live comfortably and peacefully. But you cannot drift toward the principle that the end justifies any means, any methods. That is very dangerous. It could create the soil for a new SCSE to spring up, and if it feels it still has the support of a section of the population, this will inevitably lead to civil war, and then, in the event of victory for the new SCSE, to a cruel, possibly fascist, dictatorship. I don't think anyone really wants that....

Seeking Economic, Political Accord 'Essential'

PM2910152991 Moscow PRAVDA in Russian 26 Oct 91 p 5

[Nikolay Shishkin "View From Moscow": "Success Will Not Be Easy"]

[Text] The collapse of the former USSR is taking place so rapidly and unpredictably that even now it is a virtually impossible task to fully assess the consequences of the August onslaught by reaction. The qualification "virtually" is probably superfluous. The picture is changing daily rather than monthly. A political volcano is erupting. The lava flow has buried the CPSU. Ash from the eruption, which continues unabated, is engulfing the former state structures and institutions. New government structures are being hastily erected (urged on by life!). Everything is literally or implicitly "temporary."

Despite the impressive valor and proud spirit displayed in August, society continues to live in a state of depressed anxiety. It is the fall and the coming winter that frighten people. But despite the picture of doom and gloom, whatever part of the country you care to mention, we are left with fertile land, plants and factories that can make the products people need, and rich resources tired of waiting for intelligent and assiduous management.

It is dangerous to let go the oars and the rudder. It is absolutely essential to seek political and economic accord. No matter what the skeptics may say about the economic community project or about the Union treaty, this must be the aim. Otherwise further deviations in social development will be not just possible, but inevitable. The perilous state of the economy, an infant democracy, a weak executive authority—all these factors could cause devastating social explosions.

Obviously, the center of gravity of all efforts to surmount the very severe crisis lies within the country. But this does not make the external factor any less important.

The putsch added to the burden of our existence. The country's foreign political positions were not unaffected by its consequences either. We sustained serious damage in the international arena as a result of the putsch. I

know that Moscow's envoys—whether Union or Russian—are being received with sympathy and understanding in foreign countries. Foreign state figures are headed for Moscow once again. And not just Moscow. Western politicians' itineraries are tending more and more to include republic capitals. This is normal in the radically altered conditions.

But let us not ignore the obvious: You can sense the wariness about the Soviet Union in major and in minor matters. Admittedly, the Soviet voice does not have the most persuasive ring to it, having been replaced by a discordant choir of voices.

I have had occasion to speak and write about whether the Soviet Union remains a great power. What you might call the essential features of the Union—resources, scientific-industrial potential, population, size of territory, quality and direction of policy, defense potential—by and large remain. But the contradictory processes developing in all the most important spheres of public life are affecting our foreign political affairs. Affecting them badly.

Which makes it all the more important to realize that our current international links, in the main, are not a burden at all but a very big help in overcoming our various ills. And that is not all. The Union, no matter how fragmented we become, has an enormous, worldwide responsibility on its shoulders. If only by dint of its possession of a powerful nuclear arsenal. Indeed, has the international agenda for the transition to a really peaceful period in the history of mankind, which was put together with our country's very active participatioin, really shrunk, has it really been exhausted?

The general political weather is milder now. But it is also true that today's world remains an armed world. The first major steps to limit the arms race have been taken. They are precious and they have provided more than a mere reduction in the number of military bills to pay out of the meager people's budget.

Could we have imagined only a few years ago that the Soviet Union and the United States would start "competing" to reduce Armed Forces and armaments? It was beyond people's wildest dreams. Bush's initiative and Gorbachev's counterinitiative showed that a new era had arrived.

Our foreign policy departments and military negotiators will not be out of a job. The two presidents' bold ideas will be carefully compared by experts. Some of them—a significant number—will require that an equilibrium be established. But I dare to suggest that the two countries' representatives will no longer have to spend years elaborating mutually acceptable compromises. More important: For the first time both the Soviet Union and the United States have managed to make decisions on military budget cuts, being far less wary of one another. The mutual fear is evaporating.

The other members of the "nuclear club" are bearing this in mind. With justification, they kept out of the Soviet-U.S. debate on nuclear weapons. Their potentials did not compare at all with the potentials of the main possessors of 20th century military-technical thought's most destructive creation. I think we are approaching the time when Britain, France, and China will be able to see the actions of Moscow and Washington as a useful example for them.

In recent years Soviet foreign policy has acquired the aptitude and taste for work in the disarmament sphere. It remains a key area in terms of the enrichment of all the good things that have appeared in international relations. And, quite obviously, in terms of the radical improvement of the economies of the country and the sovereign republics. (I know disarmament costs money. But it is difficult to accept that fact as an argument against further progress along the chosen, fruitful path. It is food for thought for those republic politicians who are calling for their own national armies, their own armaments, for their own weapons industry).

I would venture to suggest that the reestablishment of diplomatic relations between the USSR and Israel is of the highest importance. I have read, in PRAVDA, for instance, arguments against this natural, sensible step, which should have been taken not yesterday but, rather, the day before yesterday at least. Claims that Soviet-Israeli cooperation is developing successfully anyway, without normal diplomatic links, are in my opinion a product of ignorance.

Forecasts about a threat to good Soviet-Arab relations are unimpressive. Soviet-Arab relations in the abstract do not exist anyway. There are relations with Egypt, Syria, Kuwait, Jordan, Iraq, Libya, and other Arab states. For a long time now these relationships have varied. Incidentally, the biggest Arab country—Egypt—has diplomatic relations with Israel. And there is no need to regret that. I would go further: By bringing to an end a not entirely glorious chapter in Soviet-Israeli relations on the threshold of the Near East peace conference, we will be increasing to some extent the chances of success for the negotiating process.

Success will not be easy. I have no quarrel here with the professional pessimists (or realists?) from Israel, the Arab world, and the Soviet Union. Nonetheless, the Soviet Union's role in the quest for a just Near East settlement will be more useful and more substantial once our notions about the positions of all the conflicting sides are free from prejudice and distortion.

In regional conflicts—and overcoming them remains one of the world communuity's major concerns—there can be no room for egotistical, imperial calculations. Because these conflicts are like pockmarks on the face of a world that has bidden farewell to the cold war. Their seeds sprout in the most unexpected places. Today it is Yugoslavia. In our country we call them 'hot spots.' And we wonder where the flames of blind enmity are going to

break out tomorrow. No question, what is needed above all is action on the part of the combatants themselves so that people do not have to face further tragedies and suffering. But that is not enough. I believe that the United Nations could broaden its activities and extend them, in acceptable forms, to promoting the resolution of ethnic strife.

There has been so much talk about the need to adopt a joint approach to ecology, energy, transport, public health, space, you name it. There are many ideas. Actual tangible deeds are thin on the ground. It is a noble, extensive area for foreign policy departments to work in. I am convinced that they are ready to do it on Smolensk Square. And I believe, I want to believe that diplomats from the sovereign republics can be good partners for the all-Union ministry.

Economic relations with the West are a separate topic. I would like to be wrong, but I am afraid I am right when I say that we lose everything when we knock at the developed industrial states' door separately. They are opening the door a crack, wisely keeping the chain on, and exclaiming in astonishment: "How many of you are there?!"

The last thing I want to do is to suggest that everything should be done by Moscow and via Moscow. It is for the republics themselves to judge what will benefit them, what will be useful, what is urgent and what can wait for a while. But it is the height of egotistical folly to abandon the combined potential of the republics, changed though their status may be, to disregard the division of labor that existed in the country.

Little by little we are turning into professional whiners. This is bad, that is good for nothing. There are plenty of reasons for strong criticism. I would not dispute them. People are finding life hard. Very hard. It is not unreasonable to suppose that the only prospect we have is of becoming world community dependents, constantly arguing with one another.

Having given up the ideological dope and abandoned the state lie that had ruled for decades, it would be shameful to ignore the colossal creative potential of the country and the people. It is the supreme task of politics and politicians to employ this potential intelligently and judiciously.

As for foreign policy activity, it is capable of giving effective assistance in the solution of internal tasks. And it is doing just that. Not by going through the motions, but by responding sensitively to demands arising out of the changing international conditions. The first session of the new USSR Supreme Soviet, where ideas that enrich the policy of new political thinking were voiced, confirms that the country can move on from what it has achieved in international affairs by making its own unqiue creative contribution to the birth of a genuinely peaceful tomorrow.

'Vozrozhdeniye' Established as Political Party

PM3010094391 Moscow PRAVDA in Russian 28 Oct 91 p 2

[Report by O. Voznesenskiy: "On the Principle of Federalism"]

[Text] Participants in the constituent congress of the country's state-oriented democratic forces held 26-27 October spoke about the creation of a "Vozrozhdeniye" ["Rebirth"] mass political party.

The convocation of the congress was organized by representatives of various deputies' factions in the USSR and Russian Soviet Federated Socialist Republic Supreme Soviets, the Moscow Soviet, and local soviets, along with sociopolitical movements and voters' associations.

More than 300 delegates from many regions of the country took part in the congress' work. The new party's statutes and program were adopted and its executive committee formed. The party's main aims are to create a rule-of-law, democratic, multiethnic, prosperous society founded on principles of freedom of the individual and federalism. "Ownership, statehood, and justice" are the new party's credo. It is inspired by the ideals of Petr Stolypin, Abraham Lincoln, and Adam Smith and opposes postcommunist compradorism, pseudodemocratic lumpenproletarianism, and divisive nationalism. In the social sphere the party intends to hand property over to citizens free of charge in the form of personal investment checks.

CPSU Document Forging Workshop Discovered

LD3010112291 Moscow TASS International Service in Russian 0307 GMT 30 Oct 91

[Text] Moscow, 30 Oct (TASS)—In today's edition of NEZAVISIMAYA GAZETA, Sergey Parkhomenko reports on the discovery in the CPSU Central Committee building on Staraya Ploshchad of a workshop for forging documents.

The author cites the testimony of "a highly placed Russian Government official" whose department moved into the premises of the main block of the CPSU Central Committee complex nearly two months ago. According to the witness' assertion, which precedes the publication, "shelves of unused passport forms for foreign states, mainly the United States and Western Europe" were found, as well as "presses for stamping passports," "computerized equipment for preparing seals and stamps," "several hundred prepared stamps for a multitude of countries and departments," a rich collection of inks and Indian inks, and much else, including "an entire cupboard full of false moustaches, beards, sideburns, bald pates, and makeup."

The article points out that all this belongs to the International Department of the CPSU Central Committee.

"These souvenirs, the newspaper comments, are evidently the only accessible material evidence we now have of that department's specific activities."

TASS Carries Press Review for 30 Oct

LD3010075191 Moscow TASS in English 0609 GMT 30 Oct 91

["Press Review"—TASS headline]

[Text] Moscow October 30 TASS—The Soviet central press today highlights the Soviet-U.S. summit meeting held in Madrid on Tuesday [29 October] and a Middle East peace conference opening in the Spanish capital on Wednesday [30 October].

Newspapers carry columns of reports on talks between Presidents Mikhail Gorbachev and George Bush and summarise statements made by the two presidents at a joint news conference.

"Were it not for events that began to take place in the Soviet Union in 1985 and were it not for the change in the character of Soviet-U.S. relations, the convocation of such a conference to discuss the Middle East peace process would have been impossible altogether," PRAVDA points out.

"The very principle of undoing major tangles in Soviet-U.S. relations has made it possible now to approach a resolution of chronic and knotty conflicts.

"The Middle East is the focus of attention in Madrid. The ice of confrontation and alienation that used to grip the entire situation in the Middle East is beginning to melt. This is illustrated by the full restoration of diplomatic relations between Israel and the Soviet Union," PRAVDA points out.

Newspapers report a meeting between Gorbachev and Israeli Prime Minister Yitzhaq Shamir. ROBOCHAYA TRIBUNA carries an interview with Arieh Levin, the head of the Israeli mission at Moscow, who voiced hope that the Soviet Union will play a constructive role at the conference in Madrid.

"Are There Things More Important Than Peace?" is the rubric under which NEZAVISIMAYA GAZETA (INDEPENDENT GAZETTE) frontpages a dispatch by its correspondent Vladimir Markov and an article by Mikhail Shenbrot from Tel Aviv about the Madrid conference.

"Even if one fails to prevent attempts by this or that side to interrupt the conference, the peace process mechanism switched into gear in Madrid will continue to operate and will lead, sooner or later, to a settlement of the Middle East problem", a member of the Soviet delegation told the newspaper.

In a coverage of the Fifth Congress of Russia's People's Deputies, SOVETSKAYA ROSSIYA and other newspapers report opinions and evaluations of Russian President Boris Yeltsin's speech at the congress by parliamentarians and other political figures of the country.

"In his speech the Russian president did not set out in full a programme to liberalise prices," Viktor Stepanov, member of the Russian parliament, told SOVETSKAYA ROSSIYA. He voiced apprehensions that "democratic processes in Russia have come to a standstill" and suggested taking the road of representative democracy.

RABOCHAYA TRIBUNA carries deputies' opinions about the Congress. "The myth about confrontation between the communists and democrats has been shattered at last" believes Nikolay Pavlov, coordinator of the deputies' group Rossiya, pointing out that Ruslan Khasbulatov has been elected to the post of the Russian parliament chairman as a result of "votes cast by communists".

Sergey Yushenkov, coordinator of the deputies' group "Radical Democrats", regards Yeltsin's decision to head a Russian Government as "an impulsive step", depriving him of "routes for manoeuvre". Yushenkov also expresses fears that "the liberalisation of prices without privatisation may contribute little to an economic recovery".

"We are for a civilised market," Igor Klochkov, chairman of the Federation of Russia's Independent Trade Unions, told the newspaper TRUD. He emphasised that the "Market Prices Should Be Matched By Market-Determined Wages" slogan put forward by trade unions envisages not "wage levelling but an opportunity to earn in accordance with one's qualifications and industriousness".

"It is essential to radically change the entire economic model and create conditions under which the person's initiative and talent would unfold," Klochkov believes.

"Are 'Suspects' in the Soviet Communist Party (CPSU) Case Prepared To Tender Their Alibi at the Parliamentary Hearings in the Russian Parliament?" RABOCHAYA TRIBUNA queries in an article about the Party's involvement in the August coup.

"Only a court may determine further destiny of the CPSU and a measure of responsibility of its leaders for what happened and pass judgement whether this Party should or should not remain in existence," the newspaper believes.

The INDEPENDENT GAZETTE carries a sensational article by Sergey Parkhomenko who, referring to a high-placed figure in the Russian Government, whose agency moved to the premises of the CPSU central committee complex of buildings on Staraya Ploshchad (Old Square)

in Moscow about two months ago, writes about a workshop discovered there. The workshop used to produce forged documents, including the passports of foreign countries.

The same newspaper carries a signed article about the problems of the gas-producing industry. It expresses concern over the state of affairs in this sector.

"While Western Europe took in its stride the break-up of the Soviet petroleum industry, the gas industry's collapse is by no means in the strategic interests of the Europeans," the authors of the article point out.

KOMSOMOLSKAYA PRAVDA reports that according to the latest data, 38.5 million tonnes of grain have been purchased to replenish state resources, or 50 per cent of the state-placed order which has been filled only by 11 regions of the Russian Federation, six regions of Belorussia and four regions of Kazakhstan. The newspaper explains the break-up of the food market by the severance of economic ties between republics and regions.

KRASNAYA ZVEZDA runs an interview given to a TASS correspondent by General of the Army V. Arkhipov, Soviet deputy minister of defence and the chief of logistics of the Soviet Armed Forces, who stated that the Armed Forces are on their way to a market economy in their reform: Economic methods of managing defence industry plants are being introduced, direct contacts are being established with civilian enterprises and organisations, and a commercial approach is being employed.

In their foreign topics, newspapers single out reports from Yugoslavia where tension is keeping on, the Middle East, and Latin America but focus on meetings in Madrid and on the opening Mideast peace conference there and runs world press comments on the subject.

Economic

Committee for Operational Management Meets 29 Oct

Views 'Catastrophic' Situation

LD2910182491 Moscow TASS International Service in Russia 1700 GMT 29 Oct 91

[By TASS correspondent Ivan Ivanov]

[Text] Moscow, 29 October (TASS)— The package of economic reforms in Russia made public on Monday during the Congress of the Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies is not at all a "threat to the economic community of the republics, it is an incentive to work out a program of economic reforms coordinated by all parties." This was announced today during the meeting of the Committee for Operational Management of National Economy by its leader Ivan Silayev.

Vladimir Gribov, USSR deputy minister of economy called the "Yeltsin plan" hard to implement, "but we have no other way, the country is in a catastrophic situation." He also stressed that freeing prices must be accompanied by strict control of the increase in the population's incomes, rather than by their "liberalization." Otherwise the inflation will reach colossal size and "we will experience the Yugoslav scenario, when two years ago the inflation rate there was of 7 percent per 24 hours."

RSFSR deputy prime minister, Yevgeniy Saburov, stressed that he does not believe in Russia's introducing its own currency, because "it would be technically complicated."

During the meeting of the committee which examined the question of the country's financial situation, it was stated that the deficit in the state budget of the country will amount to 240,000 million rubles [R] this year. Vladimir Gribov stated that even if hypothetically in 1992 not a single kopeck is spent on defense and on maintaining the apparatus of the Union administration, the deficit will still exceed R100 billion. He also came out against raising the price of energy-bearers which form the basis of the whole price system. The economist cited calculations according to which raising the price of oil to R300 per tonne would, under the present system of state tax policy, result in the deficit in the state budget's exceeding R1 trillion. "This shows that it is necessary to examine once again the question not of liberalizing oil prices but of allocating investments to this sector," he stressed.

In the opinion of Vladimir Gribov, the radical reform of state tax policy could become "the Archimedes lever" for improving the financial position of the country. This opinion is shared by Vladimir Rayevskiy, USSR first deputy minister of finance. He stated that without this, "the liberalization of prices will cost the state budget more in expenditure than it brings in revenue."

Citing world experience, Vladimir Gribov came out in favor of increasing the tax on profit to 45 per cent and also in favor of introducing a 15 percent value-added tax instead of a turnover tax. None of the committee members protested against this during the meeting.

Examines Budget, Economic Problems

OW2910212791 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] The country's budget deficit currently stands at 240,000 million rubles according to figures released in Moscow today by the Committee for the Management of the National Economy.

Soviet Deputy Finance Minister Vladimir Gribov announced that one of the reasons for the rise in the deficit is that the republics have not paid their full quota

to the union budget. Russia still owes 29,000 million rubles; the Ukraine—8,000 million; Belorussia—600 million; Kazakhstan—1,500 million; Uzbekistan—985 million; Georgia—700 million; Azerbaijan—250 million; Lithuania—720 million; Latvia—589 million; Kyrgyzstan 147 million, etc....

It was noted at the meeting that the percentage of unprofitable businesses fell over the first 8 months of this year from 6.6% to 3.6% (of businesses, not including agricultural businesses). The overall losses of these firms came to 7,000 million rubles.

In the last quarter of the year it will be necessary to make spending cuts of 22,000 million rubles to lessen inflationary pressures.

Soslan Guchmazov, who heads the Defence Department of the USSR Council of Ministers, told the meeting that this year's defence spending amounted to 173,000 million rubles. He went on to say that, taking price rises into consideration, next year's defence spending will amount to 250,000 roubles.

Discussion of the problems of the metallurgical industry highlighted the need to reduce the amount of coal sent for export and sell more metal. However, the committee's chairman Ivan Silayev noted that the committee was not empowered to make such a decision. He proposed that a meeting with the directors of several metallurgical enterprises be convened in Moscow at midday to discuss taxation policy, state orders and other issues.

Volskiy Supports Yeltsin Plan in Principle

OW2910211291 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Arkadiy Volskiy, deputy chairman of the Committee for the Operational Management of the National Economy, expressed support of Yeltsin's address to the Russian parliament and said that the Russian president's blueprint for changes was based on the ideas of a common economic space and a common banking, taxation, and tariff system. This, Volskiy says, is of paramount importance during the runup to a USSR State Council's session on November 4 that will address "the most important and most controversial" economic agreements within the framework of the economic cooperation treaty.

Volskiy said that he was ready to subscribe to Yeltsin's address and that the president's line on a common army was of particular importance. "The army cannot be torn asunder," he emphasized. According to Volskiy, the republics had jumped the gun with statements about the creation of own armies.

However, Volskiy insisted that Yeltsin's address on price liberalization needed some adjustments. According to Volskiy, a mechanism for price liberalisation had to be worked out first. He supported a "controlled price liberalisation" in which prices would be freed step by step and sector by sector.

Company To Specialize in Military Conversion

OW3010004191 Moscow INTERFAX in English 1710 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] "The lack of mobile communications between potential investors and the defence industry is one of the main reasons for the slow development of market structures in Russia and other sovereign republics", announced Sergey Petrov, the president of the board of directors of the joint stock company "Military-Industrial Investment Company" on Tuesday.

Speaking at the company's presentation in Mosocw, he defined the company's main aim as "the financing of the conversion of military-industrial premises to civilian production which the government is no longer in a position to undertake". Mr. Petrov told an "INTERFAX" correspondent that the joint stock company, the first Russian investment company, hopes to expand its activities to cover the whole of the territory of the former Soviet Union.

The new company will finance the production of consumer goods. But as Yuriy Matsak, a member of the board of directors and president of the State Commission for Military Industrial Questions, said, "if the pre-requisite legal measures are adopted we may also branch out into military production, especially in collaboration with foreign companies".

State Bank To Introduce 200 Ruble Note

OW3010013891 Moscow INTERFAX in English 2120 GMT 29 Oct 91

[From "Soviet Business Report;" transmitted via KYODO]

[Text] The USSR State Bank announced that, effective October 30, it will introduce a 200 ruble bill. Formerly, the largest denomination was 100 rubles. It is speculated that a new 500 ruble bill will be printed in the near future.

Agricultural

Sep Grain Market Situation Reviewed

OW2510130191 Moscow INTERFAX in English 2046 GMT 24 Oct 91

[From the "Soviet Business Report"; transmitted via KYODO]

[Text]

Grain Market on Moscow Exchanges in September

Grain sales on Moscow's largest exchanges—the USSR's most active agricultural exchanges—increased significantly in September. The volume of offers rose, while wheat prices on the various exchanges have levelled off.

Volume of Supply Continues To Grow

In the past month offers for grain at the Moscow Commodities Exchange (MCE), which specializes in sales of agricultural products, reached an average level of 2,500 tons [as received] a day. The overall volume of business for the period September 11-18 was 23,000 tons, almost three times the entire level of trade in August. The range of goods up for sale was also more diversified: in addition to wheat, rye and barley (for fodder or brewing) were also on offer.

Furthermore, the average volume per deal grew: from March through June the average had stood at 300 tons; in September it rose to 600 tons per deal.

Although in August, the ROSAGRO exchange did not conclude a single grain deal, by the middle of September more than 300,000 tons of grain had been offerred. The biggest single deal concluded was for 20,000 tons—a record quantity for a Soviet exchange.

In September, the Russian Commodities and Raw Materials Exchange (RCRME) was active in grain trading: for the month, the total volume of deals exceeded 6,000 tons (with the average volume per deal being 400 tons). The largest of the deals took place on September 10th, when 2,550 tons of wheat were purchased.

Supply Exceeds Demand

Experts are noticing, however, that the grain market is generally slow and that there is no demand for a large part of the grain supply.

For example, on September 11th at the MCE there were 1,740 tons of wheat for sale at a price of 5.6 bn [billion] rubles, but only 200 tons were sold for 560,000 rubles. In the opinion of observers, this situation arose from the high prices being asked for the wheat.

Will Grain Prices Stabilize?

In September, grain prices at the exchanges did not shock anyone. At the MCE, after a sharp price hike in August (when asking prices had doubled) prices seem to have stabilized.

On other exchanges, prices rose in September (for example on the RCRME by more than 50%), approaching the prices at the Moscow Commodities Exchange. Such movements brought grain prices at the various exchanges into alignment.

Average Prices for September 1991 on the MCE, RCRME, and ROSAGRO Exchange

product name	MCE rub./ton	RCRME rub./ton	Rosagro rub./ton	State buy/price
1. hard wheat	——	2140	2500	300-700*
2. mid-qual. wheat	2700	2040	2000	300
3. soft wheat (gluten 18-23%)	2040	——	——	200-250*
4. rye	1230	1700	1500	220-390*
5. barley	2030	960	2020**	180-250*

* - dependent on region and quality of grain
** - brewing barley

The prices shown in the table are the average prices per deal. However, considering the level of development of exchanges in the USSR, they cannot be viewed as quotations.

In fact, "average prices" can be misleading. This is due to the fact that all three exchanges conduct not only normal buying and selling operations, but also many "contracts with conditions." For the most part, these are barter deals in which the prices as a rule are significantly lower than those the goods would fetch if they were freely traded. Barter prices tend to be close to state-set prices.

On the MCE, RCRME and Rosagro exchange, barter transactions are not entered on a separate list. This explains the large fluctuation in grain prices: for example, on October 10th the RCRME sold the very same type of wheat for anywhere between 1,500 and 2,000 rubles/ton. Rye was sold from 1,100 to 1,900 rubles/ton during the course of a single day.

Lower prices are not invariably a sign of barter deals, but most of the time this is indeed the case.

Grain Market Still Has a Seasonal Character

Grain trading is not very diversified. Deals are principally made for goods which are already available. By the spring of 1992, however, it might be possible that "futures" deals will play a larger role than they do at present, although this will largely depend on the social and political situation in the country.

The breakdown of interregional ties and unstable political conditions in many regions have prevented a large number of buyers and sellers from utilizing the exchanges and have jeopardized deals which have already been concluded. "Futures" deals on wheat concluded on the MCE in June of this year were annulled when authorities in the Rostov region (southern Russia) declared that no grain could be exported from the territory. Under these conditions, experts believe that in the near future it will be impossible to surmount the extreme seasonality of trade in agricultural products and to move to large-scale future deals.

On the whole, the grain trade has been relatively stable in recent months, although the seasonality of agricultural

production and the predominance of deals made only with presently available goods do not allow for prognoses in relation to the future.

Mid-October Harvest, Procurement Progress

924A0093A Moscow SELSKAYA ZHIZN in Russian 18 Oct 91 p 1

[Report by M. Silvanovich; "Rain and Snow, and Too Much To Do: Reports of the USSR Ministry for Agriculture and Food"]

[Text] According to USSR State Committee on Statistics [Goskomstat] reports, as of 14 October grain and leguminous crops have been threshed on 94.5 million hectares, or 93 percent of all sown area. As is normal for this time of the year, temperatures fell sharply in most agricultural regions of Siberia and the northern oblasts of Kazakhstan, and rains and wet snow started. To a large degree, this was the main factor causing the slowdown in harvesting. During last week, the increase in acreage where threshed grain crops had already been threshed comprised only 0.7 million hectares.

The time of calculating the final results of the cereals harvest is near. Inevitably, we will say that the country received from the farmers what is deserved. Remember the feverish situation in the supply of fuels and lubricants and spare parts; remember immensely irritating deliveries of harvesting equipment that lacked some components. Let us not get ahead of ourselves, though. Right now, it should also be mentioned that in the equal conditions of a resource famine, grain producers are scattered across the areas of unharvested crops as if they were runners on a trade union cross-country run: While one is finishing, the other has only gone two-thirds of the distance.

Let us look into the summary report for Russia. Chelyabinsk, which is sitting on 1 million hectares of grain and leguminous crops, got "stuck" at 74 percent. It would have been understandable if the harvest were good and was slowing the farmers down. But no, the harvest is only six centners per hectare. It is a pity to lose a big harvest, but it is even more painful to lose the crumbs. The high level of agricultural work in such industrial colossus regions as the Urals and the Kuzbass has always been known. What has happened this time? The farmers in Kemerovo made an honorable finish and harvested their 630,000 hectars practically in full. As to Chelyabinsk.... It must be that here, too, the fields were touched by the same tired political and economic tremor. October has already passed the mid-mark, and more than 250,000 hectares—one-fourth of the sown area—are falling victim to bad weather.

Orenburg farmers have more than 130,000 hectares left to harvest; up to 100,000 or more is left in the Kurgan, Novosibirsk, and Omsk areas. Another region of harvest contrasts: Krasnodar Kray, with a good harvest (over 18 centners per hectare), has already reached the finish line, while its neighbors—Irkutsk and Chita Oblasts and Buryatiya, where far less is harvested per hectare—have been caught by bad weather at 91, 76, and 78 percent of sown area, respectively.

On the whole, over 2 million hectares remain unharvested across the country. A number of central oblasts got stuck in a protracted "harvesting finale"—one, two, or three percent of sown areas remain to be harvested, but there is no progress. Added up, this presents a danger that the harvest on a million or more hectares will leak right "through the fingers."

The situation with grain procurements for state stocks continues to be unsatisfactory. From the beginning of the harvest, the following had been put on the books in initial gross weight across the country: in collective farms and state farms—155.8 million tonnes; in all categories of agricultural units—162.6 million; together with corn—166.9 tonnes, as opposed to 227.4 million tonnes as of the same date of last year. The yield of grains and legumes is 16.5 centners—5.6 centners less than last year. At the same time, last year set a record, in comparison with previous years, in the low volume of procurements—63.6 million tonnes; this year, the record has been "broken"—there are only 37.7 million tonnes of grain in government stocks, which is 49 percent of the state order and 24 percent of the entire threshed grain.

In the Russian Soviet Federated Socialist Republic, 20.7 million tonnes has been procured, which is 50 percent of the state order and 23 percent of threshed quantities; 11 oblasts here have fulfilled state orders. In the Ukraine, 62 percent of the state order has been fulfilled; in Kazakhstan—20 percent.

The procurement of wheat comprises 22.2 million tonnes, or 50 percent of state orders; rye—5.5 million tonnes, or 96 percent; millet—633,000 tonnes, or 31 percent; buckwheat—223,000 tonnes, or 29 percent; and rice—882,000 tonnes, or 55 percent (22,000 tonnes more than last year).

Sunflower has been harvested at 78 percent of sown areas; 2.9 million oil-producing seeds, or 52.4 percent of state orders, has been procured.

Sugar beet has been harvested at 76 percent of the planted area; the yield is 207 centners of root per hectare. In total, 41.3 million tonnes of root plants has been procured. Sugar-processing plants—314 of them—are working; 19.1 million tonnes of roots have already been processed, and 2,086,000 tonnes of sugar produced. As of this date of last year, 2,368,000 tonnes had been produced. It is clear that there is no relief in sight in the "sugar" queues.

Potatoes have been dug up at 94 percent of planted areas in kolkhozes and sovkhozes; the yield is 99 centners. If we store all of it and keep it well, we will be at last year's levels in regard to potatoes; actually, considering that this year the "private sector" has been more active in potato production, we will even live better—provided we are ready to lighten our wallets.

Vegetables have been harvested at 70 percent of the plantations, with an average of 140 centners per hectare. The cotton harvest campaign continues. Procurement stands at 5.8 million tonnes of raw cotton, or 78 percent of state orders; of these, fine-fibered varieties comprise 73 percent.

Winter wheat has been sown on 34.2 million hectares. There is more land plowed for spring sowing than as of this date last year (77.5 million hectares). One could rejoice, but...the tractors have stopped in the fields because of the lack of fuel and spare parts. If not one thing, then another!

Agricultural Developments for 13-19 Oct

LD2010035391

[Editorial Report] The following is a compilation of reports on agricultural developments in the USSR from 13 to 19 October. Sources and GMT times of broadcast are given in parentheses at the end of each item.

13-14 October

No fileworthy items monitored.

15 October

The 3 millionth tonne of cotton since the start of the picking campaign has been gathered from the fields of Uzbekistan. A high rate achieved in October has made it possible to make good the shortfall that had resulted from the late ripening of the crop. All cotton-picking equipment is working without a break. Hand picking has been better organized than ever before. To a large extent this is facilitated by government measures aimed at raising the agricultural workers' pay. Cotton is today very costly, and the farms do not grudge spending money in order to bring it in as quickly as possible. (Moscow All-Union Radio Mayak Network in Russian, 1300)

From Barnaul it is reported that the Altay Kray continues to deliver bread grain to the state. More than 600,000 tonnes of grain, predominantly of strong and valuable strains of wheat, have been taken to the elevators and reception points. (Moscow All-Union Radio Mayak Network in Russian, 1300)

16 October

No fileworthy items received.

17 October

According to data provided by the USSR State Committee for Statistics, grain has not yet been threshed from 7 percent of sown areas. On the whole almost 167 million tonnes of bread grain have been threshed in the country. It was over 220 million tonnes the same time last year. Only 37.7 million tonnes of grain have been bought by the state so far. It is less than half the state order. (Moscow All-Union Radio First Program Radio-1 Network in Russian, 2000)

18 October

In the Ukraine as a whole, it is expected that 40 million tonnes of sugar beet will be harvested this autumn, which is 2 tonnes fewer than last year. (Moscow All-Union Radio Mayak Network in Russian, 0300)

19 October

Since the beginning of the cotton harvest some 300,000 tonnes of high-quality raw cotton have been procured in Turkmenia. (Moscow All-Union Radio Mayak Network in Russian, 0300)

Agricultural Developments for 20-26 Oct

LD2710041391

[Editorial Report] The following is a report on agricultural developments in the USSR carried by Moscow All-Union Radio First Program Radio-1 Network in Russian from 20 to 26 October. Time of broadcast, given in GMT, given in parentheses at the end of the item.

20 October

Uzbekistan is guaranteeing its independence as far as cotton is concerned. According to preliminary harvest results, 4 million tonnes of high quality raw cotton have been collected in the republic in less than one month. (1700)

21-26 October

No significant developments reported.

21 Oct Crop, Forage Procurement Assessed

924C0113C Moscow ROSSIYSKAYA GAZETA in Russian 25 Oct 91 p 2

[Unattributed report: "We Have Counted It and Wept"]

[Text]According to current data, as of 21 October the harvesting of grain and legumes is practically completed. Grains have been threshed on 95 million hectares, or 93 percent of sown areas. The yield from threshing is 156.3 million tonnes of grain. Last year the yield was 217.8 million tonnes. Average yield was 16.5 centners per hectare—5.5 centners less than last year.

State stock procurements comprised 38.5 million tonnes of grain, or 50 percent of state orders. As of this date last year, the procurements comprised 64.8 million tonnes. Only 11 oblasts in the Russian Federation have fulfilled state orders; in Belorussia, there were six such oblasts; and in Kazakhstan—four.

Potato harvesting had been completed. The yield is 99 centners per hectare—six centners less than in 1990.

The harvesting of sugar beet is nearing completion. The procurements comprised 47 million tonnes of roots. Some 2,636,000 tonnes of sugar has been processed.

Vegetables have been harvested from an area of 715,000 hectares. This is 85,000 less than last year.

Since the beginning of the season, 8,707,000 tonnes of raw cotton has been procured (90 percent of the plan).

Also procured were 256,700 tonnes of linen fibers. Last year it was 170,000 tonnes.

Calculated in feed units, 107.3 million tonnes of coarse and succulent fodder has been procured, which is 21 million tonnes less than last year.

State of Weather and Crops Reported

PM2510124191 Moscow SELSKAYA ZHIZN in Russian 25 Oct 91 p 2

[Report by agrometeorologist T. Rossinskaya: "Weather and the Crops"]

[Text] In the second 10 days of October the unusually mild weather persisted in the European part of the country. The maximum air temperature in the northern part was 11-19 degrees and in the southern part 20-28 degrees. But on individual days frosts were noted in the air or on the surface of the soil.

There was heavy rain (20-50 mm and in places 60-90 mm) in the northwest half of the Ukraine, over most of the Central, Volga-Vyatka, and Northern regions, the Northwest of the Baltic states, and the Central Chernozem region, and in the southeastern half of Belarus. In individual spots on this territory the quantity of precipitation was 2-4.5 times more than the annual average.

Over most of the territory the winter crops sown in August and the first half of September had formed tillering nodes. Because of the extension of the period of vegetation for early-sown plants, overgrown crops are to be observed in some places. They had over six shoots per plant and were 25-30 cm high and more. There was 35-50 mm and more of productive moisture in the topsoil. Only in the south of the Urals region were the winter crops provided with insufficient moisture.

In the eastern and southeastern oblasts of the Ukraine, over most of the territory of the north Caucasus region, in the southeast central Chernozem region, in the lower Volga region, and in places in the central Volga region, where it remained dry, the moisture stocks of the soil on the fields with winter crops continued to deteriorate. Less than 10 mm of productive moisture was retained in the topsoil, which is not enough for the emergence of shoots and the plants' further development. In a number of regions on this territory, particularly on fields with winter crops sown after nonfallow predecessor crops, the upper layer of the soil is almost completely dried up.

In West Siberia the active vegetation of the grain crops stopped five to seven days later than the annual average. The winter crops were mainly at the tillering phase. The state of the crops is good and satisfactory.

Hydrometeorological Center on Temperatures

924A0113A Moscow ARGUMENTY I FAKTY in Russian No 41, Oct 91 p 8

[Unattributed report: "What Will Winter Be Like? By the USSR Hydro-Meteorological Center"]

[Text]**The temperature outlook from November 1991 through February 1992 is generally expected to be close to the average established over many years. However, compared to the unusually warm winters of the last decade (especially the last two years), the coming winter will be much colder. During some periods, especially in December and January, sharp drops in temperatures are possible on the European territory of the USSR, in the Urals, in Kazakhstan, and in Siberia.**

November On the larger part of the European territory of the USSR, in the southern part of Kazakhstan, and in Central Asia, monthly temperatures are expected to be one degree above long-term averages. In comparison with last November, however, average monthly temperatures in the European territory of the USSR will be one to three degrees lower; in Kazakhstan and Central Asia—one to two degrees lower. Temperatures in Yakutia is expected to be one to two degrees below long-term average values (this, by the way, is on last year's level); it will also be colder in Magadan (two to four degrees less than in November 1990).

It is expected that average monthly temperatures in the rest of the territory of the country will be close to normal; however, in comparison with November 1990, northern regions of the USSR will be warmer, while the southern areas will be two to four degrees colder.

December On most of the USSR territory, average monthly temperatures are expected to be close to the norm. In Western Siberia, Kazakhstan, and Central Asia, average monthly temperatures are expected to be one to one and a half degrees higher than the norm. In comparison with last year, it will be two to four degrees colder in the European territory and in the Urals, and four to six degrees colder in Siberia.

January In the northern half of the European territory of the USSR and in the Central Urals, monthly temperatures are expected to be one degree above long-term averages; that is, more or less the same as last year. Average monthly temperatures are expected to be one to two degrees lower than the norm (six to ten degrees lower than last year) in the Transcaucasus, Central Asia, in the northern half of Krasnodar Kray, and in the Western part of Yakutia. In other regions of the country, the temperature will be close to the long-term norm; it will be, however, four to six degrees below that of January 1991.

February In the southeastern part of the European territory, in The Urals, and in the northern part of Kazakhstan, average monthly temperatures are expected to be one degree above the norm. In the northern part of

Krasnoyarsk Kray and in Yakutia, it will be one to two degrees colder than usual. On the rest of USSR territory, average monthly temperatures will be close to the long-term average. In comparison with February 1991, it will be two to three degrees colder on most of the European territory of the USSR and in the southern regions of Siberia.

Military

Shaposhnikov on Nuclear Arms, Army Fragmentation

PM2910182191 Moscow IZVESTIYA in Russian 30 Oct 91 Union Edition p 4

[Interview with Marshal of Aviation Ye. Shaposhnikov, USSR defense minister, conducted by S. Guk; date and place not given: "Nuclear Button Remains in Hands of Center—Declares Marshal of Aviation Yevgeniy Shaposhnikov, USSR Defense Minister"]

[Text] The "great carve-up" taking place in the USSR has also affected the Armed Forces—virtually every republic is claiming its own "share." There is real panic in the West: Does the collapse of the USSR constitute a threat to international stability? I put the following question to USSR Defense Minister Yevgeniy Shaposhnikov.

[Guk] How far has the process of "confiscating" the Armed Forces gone, and to whom are army formations subordinate—the center or the republics?

[Shaposhnikov] All formations are now subordinate to me. For the time being, let us put it that way. All the republics attended the Fifth Congress of USSR People's Deputies and they voted for a common defense policy, and they should not now make individual decisions without the State Council. If some people want their republic to be recognized in the international arena as an independent state, by all means; but it is not military might that creates a power's authority. But the way they think that if I have an army that means they will have to come to terms with me. But since we are now negotiating with the West the reduction and withdrawal of Soviet troops, there is all the more reason for us to reach agreement inside the country.

[Guk] Does the USSR defense minister possess enough power to prevent the army becoming fragmented on national lines?

[Shaposhnikov] That is a problem to be tackled first and foremost by the politicians rather than military men. My task is to prevent the Armed Forces becoming embroiled in confrontation because of the poliical ambitions of this or that particular leader. In my view, the surest solution now would be to declare a transition period within which to draw up a defensive union of sovereign states. Even if the USSR disintegrates, the military-strategic space remains—that truth should be digested by every politician.

Only time will tell whether we will come during this time to the idea of a single armed forces or some other model, but for the time being at any rate—in creating the new Union you cannot do without unified armed forces. It is necessary to draw up regulations on the status of the Armed Forces on the territory of the republics, and we are now engaged in this.

Furthermore, in view of the fact that many have stated their refusal to send draftees outside their republics, we will sooner or later certainly have to face up to problem of national armies. And given that, only a contract system—army manpower acquisition on a professional basis—will save us from the complete breakdown of the armed forces. But for that to happen money is also needed. We do have such a program, and I will soon be submitting it to the State Council.

[Guk] Can you guarantee that nuclear weapons will never fall into the hands of irresponsible adventurists?

[Shaposhnikov] I can. First, we have the agreement of all republics that the USSR's international disarmament commitments must be implemented. There are no disagreements on this issue as regards either tactical or strategic arms. And I am also encouraged by the Ukrainian leaders' statement: Let nuclear weapons remain on their territory, they should have complete information about them, but the "nuclear button" will remain in the center's hands as before.

Shaposhnikov at Army Rear Services Rally

PM2310105791 Moscow KRASNAYA ZVEZDA in Russian 22 Oct 91 First Edition p 2

[Report by correspondent Colonel P. Altunin under the rubric "Garrisons' Social Problems": "Pyramid With Base at Top"]

[Excerpts] The garrison cannot be said to be very remote, but you cannot call it easily accessible, either. From the military airfield we sped for around two hours along the asphalt road which has been bordered with pine trees for centuries. Small rivers and lakes flashed by, gray Karelian rock boulders reared up.

And here is the garrison. There are so many of them in a correspondent's memory—garrisons in the steppes and the mountains, in the heart of Russia and in border areas... They are diverse yet always alike in their general routine of life. And the scene at this garrison, engulfed in vegetation, with its multistory brick houses which have been cleverly set into the hilly terrain, is apparently normal. But there are up-to-date touches: Officers in field uniform hurrying about their business looking more concerned than usual, women waiting in long despondent lines outside stores...

We approach the consumer goods store.

"What are we waiting for?"

"Women's coats, sheets, jackets..." somebody replied. Another, sighing, joked mirthlessly:

"You must be from a commission? Couldn't you stay here a couple of weeks, eh?"

In truth, we were not "from a commission." An all-Army rally of leading personnel of Armed Forces Rear Services and Ministry of Defense Construction and Billeting Organs was being held at this division's base in Leningrad Military District. Opening it, Army General V.M. Arkhipov immediately launched into a speech about the lack of everyday amenities for officers and their families.

"The socioeconomic situation is complex in the country and in the Army," he said, "there are delivery shortfalls, shortages, and waiting lines for everything—apartments, clothes, foodstuffs. The military man, called to arms to protect the state's interests, has himself ended up socially unprotected. In this situation we must solve a dual task: First, we must utilize our own forces to the full. Second—and this is the important point—we must put onto the ground the base of the inverted pyramid, whereby the lion's share of the resources being released have gone on the construction of special facilities, with a considerable proportion of them being expended on erecting grandiose classroom buildings, multistory structures in training grounds, tank training areas, and reinforced concrete walls several kilometers long around a unit, and also in some places "hunting lodges" and other houses—while construction of housing progressed at a snail's pace and vitally important facilities like medical centers, bathhouses, stores, and fruit and vegetable storehouses were given second priority."

Rally participants put the question this way: Not 30-40 percent but a full 80 percent of resources should be allocated for social and cultural amenities and housing...

True, the construction base's capacities must be intensively increased in order to implement this plan.

The way these tasks are now being implemented has been demonstrated by the example of the guards motorized rifle division commanded by Major General V. Kharalgik. [passage omitted]

When comparing what there is and what there is not in other districts, divisions, and regiments you come to the conclusion that the time has come for a sharp turn toward the needs and requirements of people—servicemen and their families. Here is what was said at the rally during discussion of the most pressing problems of military life and the prospects for developing garrisons:

Marshal of Aviation Ye.I. Shaposhnikov, USSR minister of defense:

"The main part of capital investments on housing and Army social and cultural amenities—this is not a short-lived campaign. Methods of pressuring an officer or warrant officer have become a thing of the past. Only by developing their interest in the service can we deal with the remaining problems. To provide apartments and raise the level of food, medical, and clothing supply in the near future—that is the main task today. It is all the more important in the transition to a professional army."

Colonel General V.N. Samsonov, commander of Leningrad Military District:

"The military camps in the district are not bad, some have even won the all-Army inspection competition. But given the present tenor of army life, all of them must be improved. I am sure that many can do better than this."

Lieutenant General G. Nikitin, deputy commander in chief of Strategic Rocket Forces for Rear Services:

"Rear Services chiefs must be given a bit more autonomy in economic activities. They must be given control over finances."

Lieutenant Colonel V. Legavin, deputy commander of a Rear Services division:

"Speaking honestly, our being used to spartan garrison life is a hindrance. Now our hands have been untied. I see the immediate tasks even more clearly: Instead of the 13 small boilerhouses (incidentally, up to 300 stokers are working in them in winter!) we must make one, but a proper, modern one. There are interruptions in the water and gas supply to quarters. This must be tackled immediately. Winter will not wait."

...The division is getting things organized. Making strenuous efforts, overcoming difficulties, taking advantage of new opportunities being opened up by contemporary conditions. I believe its experience should be widely extended and immediately included in the current plans for developing social and cultural amenities. Especially as they are now being backed by both financial and material resources. The inverted pyramid must be put onto its base.

Military Procurator's Office Activities Halted

LD2910162191 Moscow All-Union Radio First Program Radio-1 Network in Russian 1500 GMT 29 Oct 91

[Text] It has been reported by the USSR Procurator's Office that in connection with the forthcoming reforms of the bodies of the military procurator's office and the necessity to improve their management during the transitional period, USSR Procurator General Trubin issued a decree on October 1991 charging Yanis Eduardovich Dzenitis, one of his deputies, with the direct management of the bodies of the military procurator's office and placing the apparatus of the main military procurator's office under his subordination. The ministry of the main military procurator's office has been completely disbanded. Its activities have come to a halt.

New Military Oath Text Submitted for Approval

LD2910121591 Moscow TASS in English 1136 GMT 29 Oct 91

[By TASS correspondent Oleg Moskovskiy]

[Text] Moscow October 29 TASS—"Media reports that under changed rules, allegedly proposed by the USSR Defence Ministry, orders of a criminal nature given by superiors may be disobeyed, are not true," chief of the Soviet Defence Business-Management Department Lieutenant General Leonid Ivashov told TASS today.

According to Ivashov, Soviet Defence Minister Yevgeniy Shaposhnikov on October 23 submitted to the Soviet President Mikhail Gorbachev for approval the new text of a military oath, as well as the altered text of Article 6 of the disciplinary code of the USSR Armed Forces.

The new text of the article, Ivashov pointed out, stresses the commander's responsibility for the orders he issues. It says in particular "the commander takes full responsibility for the legality of the order he gives and results of its implementation." The subordinate, upon receiving an order, has the right to ask for specifics of its content and the procedure of fulfilling the order.

As the war of laws continues in the country, with some republics passing defence acts in contravention to federal legislation and attempting to draw Armed Forces into political games, "it is dangerous to make decisions allowing disobedience," Ivashov stressed.

Forced Demurrage Abroad; No Money for Repairs

PM2810151991 Moscow KRASNAYA ZVEZDA in Russian 25 Oct 91 First Edition p 1

["Our correspondent" report under "Direct Line" rubric: "Repairs End In... Sequestration"]

[Text] Baltic Fleet Headquarters, 24 Oct—Ships from the Baltic Fleet have been sequestrated abroad: the cable layer "Donets" in Finland, and the hydrographic research ships "Andromeda" and "Gidrometr," together with a large amphibious warfare ship, in Poland. The reason, our correspondent was informed in the Baltic Fleet Technical Directorate Repairs Deapartment, is, alas, very prosaic: The state does not have the money to pay for repairs.

The forced demurrage of the "Donets," for example, comes to several thousand dollars a day. As for the crew, the sailors are not especially sad at this event, since they are getting an average of $5 per day. Penalized demurrage time began 10 October.

The large amphibious warship, which has only just been built in Poland, has been unable to sail for home shores for more than one month already, owing to nonpayment of its debts.

Baltic Affairs

Baltic Assembly Opens in Tallinn 8 Nov

OW3010010391 Moscow BALTFAX in English 2000 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] An inter-parliamentary Baltic assembly will open in Tallinn on November 8. Latvian law-maker Aleksandr Kirstein, who took part in preparations for the assembly, has said that the Baltic republics will take turns at hosting the assembly, which will be held twice a year. Between the sessions, day-to-day affairs will be managed by a Presidium consisting of two representatives from each republic. Besides, eight committees will be formed. The assembly's secretariate will have its headquarters in Riga. Latvian Lithuanian and Estonian will be official languages and Russian and English—working languages.

A secretary of Latvia's Supreme Soviet Imants Daudis has told the "DIENA" news agency that "the main function of the inter-parliamentary assembly will be to draft a standard policy of law- and decision-making of interest to the three states".

Compensation Sought From British Government

LD2910113591 Moscow TASS in English 1111 GMT 29 Oct 91

[By correspondent Dmitriy Voskoboinikov]

[Text] London October 29 TASS—Lithuania, Latvia and Estonia plan to demand compensation from the British Government for the gold they deposited in the Bank of England before 1940, which London later sold for 5.8 million pounds. Representatives from the three republics will go to the British capital early in November to hold separate talks with the Foreign Office, the Finance Ministry and, possibly, with the leadership of the Bank of England. This was reported today by the "FINANCIAL TIMES". According to the newspaper, the Balts are irritated by the fact that the deposited gold was sold in keeping with 1969 Anglo-Soviet agreement.

The newspaper says that approximately 34 per cent of the gold belonged to Estonia, 44 per cent to Latvia, and the rest to Lithuania. The representatives of these republics claim that today's total cost of this gold amounts to 115 million pounds. The "FINANCIAL TIMES" says that it is still unclear what they will demand from London the return to them of gold bars worth 115 million pounds, the payment of this sum in cash, or the payment of 5.8 million pounds plus interest.

For its part, the Foreign Office notes that British property was seized without any compensation at all after the Soviet occupation of the Baltic republics and that the Soviet authorities then refused to assume responsibility for the external debts of Lithuania, Latvia and Estonia, the newspaper notes. It is common knowledge that the British-Soviet agreement allowed London to sell the gold in order to cover a part of this debt. True, the "FINANCIAL TIMES" believes it will probably be difficult to discuss the unpaid debts of Lithuania, Latvia and Estonia due to shortage of information.

Estonia

Severe Gasoline Shortage Reported

OW2910214591 Moscow BALTFAX in English 2000 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] As a result of the fuel crisis in Estonia local petrol stations have been servicing only government vehicles. All private cars are at a standstill.

The general director of the "Eesti Kutus" (Estonian Fuel) association, Oleg Panfilov, believes that the main reason for the current fuel crisis in Estonia is the "lack of clarity in Russia about future trading relations with the Baltic states". Panfilov believes that no early improvement is in sight.

"What I have feared the most has happened. There are no rules of the game. Nobody knows whether the petroleum products delivered to the Baltic republics should be licenced, and if yes, who issues these licences or who is responsible for control", Panfilov said.

Panfilov believes that Russia must set strict rules in trade with the Baltic states. "The current uncertainty is worse than payment in hard currency". The oil extracting industry and oil refineries want to earn hard currency, but they don't stop to think that Estonian light and food industries will be asking payment in hard currency from their Russian partners. Panfilov believes that this question must be settled at the government level.

The Deputy General Director of the "Estonian Fuel" association, Tatyana Kats, has told the news agency ETA that the association will do everything in its powers to do something about fuel shortages in Estonia at a time when the crisis has affected the entire territory of the former USSR.

The general director of the "Latvijas Nafta" association, Ints Jansons, has said that Latvia has been receiving petrol from Novopolotsk only.

The General director of "Lietuvos Kuras" (Lithuanian Fuel), Jurgis Ilikievicius has told the "Baltia" news agency that in January through September private car owners bought 40% more petrol that in the same period last year.

Oil Supplies From Russia Fall Short of Demand

OW2910214491 Moscow BALTFAX in English 2000 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] First Deputy Minister of Industry and Energy Riho Sild has said that the supplies of oil from the Russian Federation to Estonia under the bilateral agreement for 1992 will be below local demand.

Mr. Sild said it was very likely that the republic would have to buy petroleum products, including black oil, for hard currency from third countries, unless direct agreements with oil producers in Russia are concluded.

The agreement between Russia and Estonia, still to be finalized, provides for the state supplies of 1,220 thsnd. tns. of black oil, 200 thsnd. tns. of petrol and 544 thsnd. tns. of diesel fuel, while Estonia will need 1,600 thsnd. tns., 500 thsnd. and 600 thsnd. accordingly. The Russian side revealed these figures at Tuesday's meeting between Estonian delegates and Russian Economics Ministry officials. "One shouldn't expect that these figures will be reconsidered. Apparently, the Russian Economics Ministry has no opportunity for increasing them". It is still unclear what Estonia will pay for Russian petroleum products with. However, Mr Sild believes that the transition to hard currency payments this winter is very unlikely.

Finance Minister on Solution to Debt Problem

OW2910214391 Moscow BALTFAX in English 2000 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Estonian finance minister Rein Miller has said in an interview with "BALTFAX" that "an overall decision to questions concerning the USSR's external debt must be reached in the course of inter-governmental negotiations between Estonia and the USSR".

"Estonia has never denied receiving hard currency from the centre and thus we will have our share to pay of the Soviet Union's debts", he said. However, he stressed that the problem could not be resolved without explanations to certain concrete questions and in particular accurate accounts would have to be produced shoving exactly how much hard currency was channelled into Estonia, where the money was spent and where any goods produced were sold.

Government Adopts Trade Regulations

LD2910144891 Tallinn Radio Tallinn Network in Estonian 1500 GMT 28 Oct 91

[Excerpts] Today's session of the Republic of Estonia Government was chaired by Raivo Vare, acting chairman of the government and minister of state. Twenty points on the agenda were discussed. A government resolution on liberalization of foreign trade activity was adopted. It stipulates that the export of goods from the Republic of Estonia for freely convertible hard currency should take place without any restrictions, with no quota or license requirements, if no Republic of Estonia Government resolutions state otherwise. It was also acknowledged that export and import taxes will not be levied on foreign trade activity in the Republic of Estonia. Export quotas have been set for the following goods: timber, cement, untreated fur and hides, meat and meat products, milk and milk products, potatoes, grain, vodka and spirits, tobacco products, mineral water, and fish and fish products. [passage omitted]

At today's government session designs for four foreign travel documents were also examined. Those were an Estonian citizen's foreign passport, a diplomatic passport, an ID for a stateless citizen living in Estonia, and a service record book for an Estonian seaman. Designs for these documents have been drawn up taking into account existing international standards. Six states have already offered to Estonia their facilities for producing passports; so far no decision has been made about where the passports will be printed. A passport will cost between $2.17 to $3.50. It is possible that one will be able to obtain a new passport in Estonia at the beginning of next year. [passage omitted]

Official Warns Against 'Danger of Dictatorship'

LD2910110991 Tallinn Radio Tallinn Network in Estonian 0700 GMT 28 Oct 91

[Text] Today's POSTIMES writes about the congress of the Republicans' Assembly Party which took place on Saturday 26 October. Ulo Nugis, speaker of the Supreme Council, who unexpectedly took the floor there warned those sharing his ideals against the increasing danger of dictatorship. He said that if they fail to make people realize the danger now then soon they will not be able to do so any longer. The government is setting up unlawful police structures and nothing can be done to prevent this. All this is taking place with the tacit agreement of the population, Ulo Nugis said. According to him only about 20 Estonians in the Supreme Council support the government but in order to hang on to power they are prepared to go to any kind of compromises with non-Estonians. Nugis emphasized that it is necessary to begin to explain to the population what is actually taking place.

Ruutel Receives Council of Europe Jurists

LD2910233291 Tallinn Radio Tallinn Network in Estonian 1500 GMT 28 Oct 91

[Text] ETA reports that according to the press service of the chairman of the Estonian Supreme Council, Arnold Ruutel today received a commission of Council of Europe legal experts. The experts have come to Tallinn to assist the republic's constitutional assembly in drawing up a draft fundamental law. The commission which comprises top-class jurists from a number of

European countries is led by (?Erik Harremoes), head of the Council of Europe legal service. Arnold Ruutel thanked (?Erik Harremoes) for the fact that the Council of Europe jurists commission is taking part in the examination and discussion of the drafts which are being drawn up.

He spoke of the main problems with respect to drawing up legal foundations for the Republic of Estonia. An exhange of ideas took place regarding developing cooperation between the Republic of Estonia and the Council of Europe.

ETA reports that taking part in the meeting with the members of the commission of jurists were Ulo Nugis, speaker of the Supreme Council; Tonu Anton, chairman of the Constitutional Assembly; and Arno Allmann, state councillor.

Ruutel Receives Kyrgyz Envoy

LD2910233891 Tallinn Estonian Television Network in Estonian 1930 GMT 22 Oct 91

[Text] Arnold Ruutel, chairman of the Republic of Estonia Supreme Council, today received (Ulukbek Chinaliyev), a Kyrgyz representative who handed over a message from his President Askar Akayev. The message expresses a wish for extending economic, political, and cultural links between the Republic of Estonia and the Republic of Kyrgyzstan. It proposes setting up a Kyrgyz representation in Tallinn and promises to create all conditions so that the Republic of Estonia acquires a representation in Bishkek, capital of Kyrgyzstan.

Latvia

Official Outlines Plan for Republic Army

LD2910234491 Riga Radio Riga Network in Latvian 0900 GMT 29 Oct 91

[Text] Last weekend Janis Dinevics, the leader of the delegation of the Republic of Latvia in bilateral talks with the USSR, visited Moscow where he held a scheduled round of consultations with Aleksandr Yakovlev, the leader of the USSR delegation in talks with Latvia. On Monday Mr. Dinevics spoke at the People's Front faction's sitting of the Supreme Council. The People's Front faction in parliament also heard Talavs Jundzis, the leader of the Commission on Defense and Internal Affairs, who reported on the draft for the defense of the Republic of Latvia. He said: We are not (?asking) to form a large Army of the classical type. The defense forces of Latvia will consist of three parts: border guards; land, sea, and antiaircraft defense, the home defense guard formations; and the police. Talavs Jundzis explained that it is not possible to abandon annual conscription. If there is a small Army, it is important to have a sufficiently large reserve for mobilization.

The draft also provides the arrangements for the withdrawal of Soviet Armed Forces from Latvia. First, the Armed Forces must be removed from Riga, the military academy must be withdrawn, then discussions must be held on specific aspects of the Armed Forces.

Leadership To Be Shared

OW2910170691 Moscow BALTFAX in English 1500 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] On October 28th, at a meeting of the majority faction of the Latvian parliament, the chairman of the Committee of the Interior and Defense Issues, Talavs Jundzis, acquainted deputies with the concept for the defense of the Latvian Republic. The concept was developed by a special commission.

The concept implies that leadership of the Armed Forces will be shared: border maintenance will be supervised by the Ministry of Defense, the Latvian Ministry of the Interior will control the police force, and the militia will be run by the Parliament.

The commission decided that 8,000 to 9,000 men are needed to secure the borders and about 5,000 men to form the police force.

The Latvian defense plan also calls for the removal of Soviet Army sub-divisions from Latvian territory. Most importantly, the commission believes that all equipment and arms used for large attacks be removed from Latvia. In addition to this, all Soviet troops should leave Riga, and the military training school should be closed. Once this is completed, discussions on separate armed forces, use of air fields and test sights can begin with Moscow. Military ports should be used for civilian purposes.

The concept also asks that the Latvian Republic demand compensation for damages done by the army to the economy and environment of Latvia. Latvia will accept payment out of the Soviet military budget, or rather, by appropriating a part of Soviet weapons and military technology based on Latvian territory.

Gorbunovs Cited on Relations With Russia

LD2910235191 Moscow All-Union Radio First Program Radio-1 Network in Russian 2000 GMT 28 Oct 91

[Text] Gorbunovs, chairman of the Latvian Supreme Soviet, has answered the questions of the republican newspaper SELSKAYA ZHIZN. He dealt with the fact that recently Russian leaders are claiming that the residents of the Baltic states used to prosper and will prosper due to Russian raw materials. In the opinion of Gorbunovs, the system of a monetary pool in the USSR does not allow one to determine who was subsidized by whom. Everyone has similar claims. Only mutual benefit should become the basis for future economic cooperation. In the future Latvia will need raw materials from the East, but at the same time Russia needs Latvia as a trading partner.

Economic Ties With Russia 'Worsen'

OW3010010791 Moscow BALTFAX in English 2000 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Economic relations between Latvia and Russia will worsen seriously, because 99% of raw materials from local industries are delivered to the republic from the former Union, Latvian Industry Ministry spokesman G. Fonins has told the newspaper "DIENA".

"DIENA"s reporters have contacted several industrial managers only to come to the conclusion that the current state of affairs in Latvian industries is unclear. Relations with partners in Russia are very uncertain. The general director of the "Kompressor" plant, A. Zaltsmanis, has said that Latvia was receiving no supplies of raw materials from Russia. His plant has not received the expected metal and fuel supplies. "There is an economic war under way", Zaltsmanis said.

Russia Warned Against Hard Currency Deals

OW2910170891 Moscow BALTFAX in English 1500 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] The leader of the majority faction of the Latvian parliament, Janis Dinevich, stated at a press conference in Riga that if Russia charges world hard currency prices for its exports to Latvia, Latvia will take "reciprocal steps." In particular, Latvia will demand hard currency payment for use of the land on which Soviet military bases are stationed. Mr. Dinevich did not explain, however, why he thinks that Russia would pay the rent for land used by Soviet military bases.

Mr. Dinevich also said that Russia has only fulfilled 30% of trade agreements with Latvia for 1991, although Russia [as received] has kept 80% of all agreements. In his words, there have basically been no deliveries from Russia to Latvia recently. Despite this, Mr. Dinevich emphasized that it was still extremely important to Latvia that the treaty with Russia which was signed in January be ratified, although it has not yet been approved by the Russian parliament.

The parliament majority leader pointed out that Russian representatives want to include 24 additional clauses to the treaty which has already been signed. In Mr. Dinevich's opinion, agreeing on the additional clauses will significantly prolong ratification of the treaty, and because of this, ratification may not take place until December.

Mr. Dinevich stated that if Russia introduces its own currency, "this would be extremely difficult for Latvia, and would lead to serious problems." He also said that it would be more profitable for the Latvian economy if accounts with Russia were started using a clearing system.

Representatives Explain Visit to NATO

LD2910232991 Riga Radio Riga Network in Latvian 0530 GMT 26 Oct 91

[Excerpts] Supreme Council Deputies Talavs Jundzis and Mihails Stepicevs, members of the Latvian delegation, spoke at a press conference about their visit to the NATO session in Madrid with Baltic representatives. We present a fragment of a recording of this press conference, apologizing beforehand for the technical shortcomings in the audible background:

[Begin recording] [Jundzis] The biggest announcement was the announcement by NATO Secretary-General Manfred Woerner. Well, I must say he was extremely (?emotional) and interesting and he was listened to in the hall with tremendous interest. And he also referred to the Baltic states. He stated that the Baltic states, too, are obviously seeking and will seek contacts with NATO states, that this will strengthen security. I must say that a day after that, great honor (?was shown) to the small states that are not members of NATO when Manfred Woerner invited the leaders of our delegation along to a reception. (?Especially) for Lithuania, Estonia, and Latvia there was a meeting, almost an hour long, with Manfred Woerner.

Well, in two words about this meeting, one could say that it was of course at such a level that it probably was the first meeting in Latvian history with the secretary-general of NATO. First of all he was interested in the situation in Latvia—what relationship we have with the Soviet Army, how many there are here, how we assess the process of withdrawing the Army. We in turn were interested in the possbilities, shall we say, of the NATO states, NATO specifically, of being able to offer some help to Latvia, Lithuania, and Estonia. Well, in order to strengthen our defense there might possibly be a seminar, experts to send, we will try to clarify it. And Mr. Woerner said that this is all possible, and everything is to be done in the evident process of mutual approach in the world, on the NATO side as well.

But the first step, which for us was a little unexpected, was that Mr. Woerner said first you must establish relations at diplomatic level with NATO. He said: Look, you are the authorized representatives of your parliament to NATO. There is no longer a [word indistinct] Europe, is there? Then it's NATO. And this representative with parliamentary authority.... [changes thought] And I must say one specific step we took, we arranged that delegations of Lithuania, Latvia too, and Estonia as well, will travel to NATO, as they said, to take part in their experience, perhaps just their experience in organizing the questions of the defense and security of the smaller states. That was the first specific step then.

[Stepicevs] Yes, they wanted to see us among them. They were very interested, a great display, in what will happen in this field that seems to be in formation here: What it

will be if the withdrawal of Armed Forces (?takes place); what we want to organize here. [passage omitted] [end recording]

[Announcer] That was a recording from the press conference after the return of the Latvian delegation from Madrid, from the NATO Assembly session. The most significant result of this for us, then, was the acceptance of Latvia, as well as Lithuania and Estonia, into the North Atlantic states' assembly with associate membership; and in the future the Baltic states will have all rights in this parliamentary representative organ of the NATO states except voting. In Spain the Latvian representatives took up various contacts and have already taken part in the work of two committees.

Lithuania

Landsbergis Comments on Opposition, Prunskiene

LD3010125291 Vilnius Radio Vilnius International Service in Lithuanian 2200 GMT 29 Oct 91

[Text] Lithuanian Supreme Council Chairman Vytautas Landsbergis urges the forces opposing the current government to make a decision and officially declare themselves as the opposition, and to acknowledge certain parliamentary and general rules of political activity.

According to Vytautas Landsbergis, the Lithuanian Democratic Labor Party has long been vacillating in its deliberation of whether it should declare itself in opposition or not, and it now is apparently prepared to do so.

According to his article in the state newspaper, LIETUVOS AIDAS, the chairman of parliament writes: The clarity resulting from an official declaration of the opposition would be indicative of the political maturity of our state.

Without mentioning former Prime Minister Kazimiera Prunskiene by name, Vytautas Landsbergis issues a sharp criticism of her in his article, because of her categorical statements in the West European press supposedly on behalf of the opposition. One does not [word indistinct] the native nest in foreign affairs, and one conducts minor local politics only locally, not in [word indistinct], observed Vytautas Landsbergis.

Recall that according to the latest public opinion polls, former Prime Minister Kazimiera Prunskiene is no longer included among the top 10 most popular Lithuanian politicians, although she was first for a long time.

Foreign Minister Meets Polish Counterpart

LD2910093491 Moscow TASS International Service in Russian 2128 GMT 28 Oct 91

[By TASS correspondent Vladas Burbulis]

[Text] Warsaw, 28 Oct (TASS)—Polish and Lithuanian Foreign Ministers Krzysztof Skubiszewski and Algirdas Saudargas today examined all the articles of a draft interstate declaration and the problem of the Polish minority in this Baltic republic, PAP reports. The head of Poland's foreign policy department told journalists after the meeting that "the deadline for the signing by members of the Polish minority of a declaration of loyalty to the Republic of Lithuania, without which it is not possible to obtain Lithuanian citizenship, must be extended without fail. (This deadline expires on 3 November this year - TASS correspondent's note). Such a step taken by the Lithuanian authorities would significantly serve the interests of both countries."

Saudargas, Lithuania's foreign minister, asserted that "this question can only be solved by the parliament of his country and it is difficult to say what course of action it is going to take." My visit to Vilnius will only take place, Skubiszewski said, when there has come about "a responsible atmosphere and when the declaration on Polish-Lithuanian relations is fully ready for signing. I want this very much, because it is bound to alleviate the tension." In Saudargas' words, "the current draft of this most important document is a compromise draft and only a few of its points are yet to be agreed upon."

Premier Arrives in U.S. 28 Oct

LD2910114991 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 28 Oct 91

[Text] Prime Minister of the Lithuanian Republic Gediminas Vagnorius has arrived in Indianapolis at the invitation of the Hudson Institute. A conference, sponsored by the International Commission on Baltic Countries' Economy, will take place there 28-30 October.

Today, the prime ministers of Lithuania, Latvia and Estonia will meet with the U.S. Vice President Dan Quayle. An agreement will be signed during the meeting between the United States and Lithuania, Latvia, and Estonia, guaranteeing foreign investments in the Baltic countries. This constitutes the first interstate agreement signed in the postwar period between the United States and the Baltic countries.

Official Sees No Need To Rewrite Constitution

OW2910130491 Moscow BALTFAX in English 1200 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Lithuania's First Deputy Minister of Justice Zenonas Jukniavicius believes that there is no need to rewrite Lithuania's Constitution. He said so at a parliamentary briefing in Vilnius in answer to our correspondent's question concerning the drafting of a new constitution for Lithuania. According to him, first of all it's necessary to cancel the decision to suspend the 1938 Constitution. This will make it possible, he pointed out, to preserve the continuity of the state of Lithuania that existed between 1920 and 1940. Subsequently certain changes based on today's realities will have to be made in the 1938 Constitution, said Z. Jukniavicius.

Independence Party Urges Desovietization

OW2910125691 Moscow BALTFAX in English 1200 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] The Independence Party of Lithuania, one of the most influential right-wing parties, concluded its second congress on Sunday. The congress adopted a new party program, taking into account the achievement of Lithuania's statehood.

It also adopted a resolution on de-Sovietization which demands that the former apparatchiks be barred from holding leading posts in Lithuania today.

Another resolution concerns relations between Lithuania and Poland. It suggests that Lithuania's parliament and government should refrain from establishing diplomatic relations with Poland till that country decides to condemn its occupation of eastern Lithuania in 1920.

On October 9, 1920, the Polish army led by General Zeligowski annexed the eastern part of Lithuania, the so-called Vilno region, including the city of Vilno. These territories belonged to Poland from 1920 to 1940. Now they are populated largely by ethnic Poles. When Lithuania gained independence, Vilnius introduced direct rule there and appointed its own governors. This generated discontent among ethnic Poles and sparked negative response on the part of Poland. There are no diplomatic relations between the two neighbor countries, Poland and Lithuania.

The head of Lithuania's parliament Vytautas Landsbergis attended the congress as a guest. He said in his address that the Independence Party of Lithuania has its own stand as well as a clear and constructive outlook on the situation in Lithuania. This, he said, shows that the party is mature and has good prospects. V. Landsbergis said he is confident that the party will play a positive role, since it selflessly works for the benefit of Lithuania and helps to strengthen its new structures.

Sajudis Proposes Reinstatement of Presidency

OW2910180891 Moscow BALTFAX in English 1500 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] "Sajudis" has already spoken out in favor of the reinstatement of the post of President of Lithuania this year. A public appeal by the "Sajudis" diet in the newspaper "LIETUVOS AIDAS" on October 29th stated that the restoration of the post of the president "would decidedly form a system of management, and that the parliament and the government would both work more effectively." In the leader of "Sajudis"' opinion, "this would also legitimize personal responsibility for decisions in important state affairs."

Former Communist Official Appears at Parliament

OW2910173591 Moscow BALTFAX in English 1500 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] The "BALTFAX" correspondent in Vilnius reports that the former second secretary of the now illegal Communist Party of Lithuania, Vladislav Shved, came to a plenary session of the Lithuanian parliament on October 29th. Shved, who is a deputy, had not been to a meeting of the Lithuanian parliament since January of this year. He had been absent since he was accused of participating in the tragic events in Vilnius during the night from January 13th to the 14th, when there were civilian casualties as the Soviet military stormed the television center.

Vladislav Shved was one of the key figures in the Lithuanian Communist Party and a strong supporter of Lithuania's remaining in the Soviet Union. When the coup failed in the Soviet Union and Lithuania was acknowleded independent, and the Lithuanian Communist Party was made illegal, Mr. Shved told Moscow journalists that he no longer planned to be involved in politics, and that he would "work as a carpenter." After this he disappeared.

The chairman of the session of parliament today reminded Vladislav Shved that he is expected in the Lithuanian General Prosecutor's office to give testimony.

Supreme Soviet

Khasbulatov Explains Role of Parliament

PM2910164591 Moscow ROSSIYSKAYA GAZETA in Russian 29 Oct 91 First Edition p 3

["Interview for the Issue" with Ruslan Khasbulatov, first deputy chairman of the Russian Soviet Federated Socialist Republic, RSFSR, Supreme Soviet, by Olga Burkaleva; place, date not given: "Parliament Must Be Guarantee of Stability in Society. Conversation With Ruslan Khasbulatov, First Deputy Chairman of RSFSR Supreme Soviet"]

[Text] [Burkaleva] Ruslan Imranovich, a real eternity seems to have passed since the Fifth (Extraordinary) Congress of RSFSR People's Deputies. Presidential power actually exists. The August putsch has substantially changed the disposition of political forces. The CPSU has formally left the scene, but it is underground and there are many signs that it is intending to resurrect itself soon in a slightly different form but with the same membership. In victorious Russia, the situation is like it was after World War II: The victor is having a worse time than the vanquished, and despite the diversity of power structures, the impression that emerges is one of anarchy, especially lately. Not to mention the fact that many people are harsher in their description of the situation: crisis, paralysis, infarction, thrombosis, and so forth.

[Khasbulatov] You are touching on a whole series of questions at once. I find nothing surprising in the fact that some misunderstandings are arising between the Supreme Soviet and presidential power. This is perfectly explicable and this situation should not be overdramatized. We have never had presidential structures, and we do not yet know how to work with them. The president is gaining experience, and the Supreme Soviet is gaining experience of collaboration on the basis of the principles of partnership. Clashes are also possible in the future, and it is wrong to describe the situation today as a crisis.

There is another aspect: paralysis of the executive power of government structures. Since the August putsch we have seen no real government action. This is very dangerous, especially since a certain power vacuum has emerged at the local level. Our ministries and the government had an opportunity to demonstrate their ability to influence the local executive.

Deputies are very much hoping that in soon the president will reinforce the government quite strongly.

[Burkaleva] Do you think the Supreme Soviet's function as the legislative organ will change in a situation where there is a need to sharply strengthen executive power? Will it be possible to strengthen and implement this power? After all, there is a dyarchy in our country, since in effect two supreme soviets and two presidents are operating on the same territory in the RSFSR.

[Khasbulatov] I totally agree with the second part of your statement. There is indeed a dyarchy, and it must of course be overcome, especially after the August events. The Union president must have clear functions in coordinating the activity of the union republics and those organs that are set up for this coordination and must exercise the powers that the republics have delegated to him. The country's president, however, must not manage any processes or facilities on Russian territory. Russia's president must absorb management functions now performed by the central administration.

[Burkaleva] Have you ever had the impression that the power of Russian leadership is confined to the walls of the White House?

[Khasbulatov] Of course not. Russia's president, the Supreme Soviet, and the government all have tremendous power. It extends to all Russian Federation territories, but we use these powers differently. Everyone is saying that there is a need to strengthen executive power; that is certainly true, but there is also a need to strengthen representative power. It is a crazy situation when Moscow has 500 city soviet deputies, Leningrad has over 400, and many oblast and city soviets have several hundred deputies. This dates back to when the soviets were a fig leaf of democracy, and there was a mere semblance of democratic principles in their activity. In those days the soviets would assemble two or three times a year for three days to approve documents prepared within the party apparatus and then would disperse again. Now the soviets ought to be five or 10 times smaller to increase their effectiveness since they are by no means decorative organs but representative organs. If the president is concerned with strengthen executive power, the Supreme Soviet must think seriously about improving representative power just as it must consider its own power, which is the guarantee of democracy in the country. Also deputies must be confident of their lofty vocation and reliably protected.

[Burkaleva] I want to return to the previous question about relations with the Union, if you can still call it that. What ways of emerging from the existing dyarchy do you see?

[Khasbulatov] First there is a need to complete the formation of coordination structures to regulate collaboration among Union republics, and as for all the Union power structures attempting to manage things on RSFSR territory, they must all be placed under the Russian Federation and the Russian Government, under Russian jurisdiction.

[Burkaleva] The army, too?

[Khasbulatov] It is more difficult with the army. Naturally we are interested in keeping the strategic military potential under a unified Union command, which, incidentally, is also dictated by the international pact on nuclear nonproliferation. Unfortunately some republics

have begun creating their own armies. In these conditions we must have a way to ensure that despite everything, nuclear weapons are based only on Russia as the possible legal successor to the Union in suitable circumstances. All industry, including defense industry, on Russia's territory must be transferred to Russia.

[Burkaleva] Ruslan Imranovich, do you believe that there is still a threat of another putsch?

[Khasbulatov] If the economic situation deteriorates, this will increase the breeding ground for conspiracies and coups; that is certain. Until 19 August I was a resolute supporter of the idea that any kind of coup was impossible in our country. In light of tradition and considering the army's responsibility, I thought that attempts to forcibly change the situation and overthrow the legitimate power and leaders were impossible, but life proved otherwise. This must be taken into account. Now I think that the crisis is deepening and the socioeconomic situation is deteriorating providing a breeding ground for another coup. The shortage of food and goods is creating an uneasy situation in many regions of the country.

[Burkaleva] Now many people are worried about the bureaucratization of new authorities and the growth of the apparatus. There is a lot of criticism of the president's apparatus. Is there not a potential threat of a reemergence of the old administrative-edict system, this time within the RSFSR on its own? And how is the Supreme Soviet reacting to criticisms of the president?

[Khasbulatov] Yes, there are these misgivings and criticisms. I think that these are all temporary problems stemming from the fact that the presidency is a new institution. The president has to have an apparatus so he can work properly. It is hard for me to tell how big this apparatus is, but I am referring to something else: bureaucratization at the government level. There are a great many functionaries. Many ministries have been turned into associations and consortiums, but in practice they are not such. They are the same old ministries with the same old apparatus, and sometimes even more staff. Many people complain (I have dealings with oblast soviet chairmen and other officials) that it is impossible to get access either to the government or to ministries. It is very hard to resolve specific issues. Business people also complain and ask: "With whom can we resolve questions in your country?" Because of this, power becomes a mystification. There appears to be someone responsible for a specific ministry, but in fact he does not exist because no decisions are made. Matters are endlessly referred elsewhere and coordinated, but now is a time for swift decisions, resolute actions, abd resolute people. If you like, now is the time of risky decisions, but these decisions must be made. We must act, not refer matters to other bodies, but instead, departments and subdivisions proliferate. For instance, a Ministry of Fuel and Power Industry was organized, but there is still no sign of any activity. Meanwhile power industry workers, oilmen, and simply people from areas linked with this sector come here to the Supreme Soviet and ask for help.

[Burkaleva] In your view, what specific, resolute steps are needed to ensure that we at least approach the longed-for point—the way out of the crisis?

[Khasbulatov] The Supreme Soviet believes these resolute steps consisted of adopting almost 200 normative acts. Here are just a few of them: the Law on the Peasant Farm, the Law on Ownership, the Law on Enterprise, the Law on Foreign Investments, the Law on Privatization, the Law on Taxes, and so forth. If the government were to implement these laws consistently, we could also speak of resolute actions.

The Supreme Soviet has a control function as well as a lawmaking function. So far we have not assimilated this function completely, but I think that in the very near future we will get down to control in real earnest. For instance, in the sphere of budget activity we are planning to form a budget and accounting chamber that would verify and monitor the expenditure of funds. This is the basis of the activity of all executive power structures, yet we have not organized this. We also see very great omissions by the authorities in the sphere of foreign economic links. There are very many dubious deals. Our raw material resources are being sold, sometimes for a song. Many nouveaux riches have appeared; they know nothing about business, but they do know how to line their own pockets—they get a "trifle" from their partner and are dazzled. They think they have made a profitable deal, but in fact they have been fooled and the state has suffered a loss. Order must be imposed here with regard to licensing and to government monitoring activity of enterprises and organizations with the right to engage in foreign economic relations. I do not mean monitoring in the bureaucratic form in which it used to exist, but sensible monitoring. All states practice licensing and state monitoring of economic activity, including activity with foreign partners. Remember how a couple of years ago Japan sold a machine tool to the Soviet Union? What a fuss there was! These businessmen were put on trial for selling new technology. That is an illustration of how rigid state control exists in the market economy. We still do not have this in our country so great quantities of raw materials and finished products are vanishing from our country at a time when the domestic need for them is very great. I think that parliament must step up its role here, and most important it must organize efficient collaboration with the president. Relations must be based on partnership and amicability. We must create a free legal field of activity for the president, we must not tie the hands of either the president or the government, and we must adopt the necessary laws to ensure that executive power can resolutely advance the most profound economic reform. Special concern must be shown for the state sector of the economy and defense sectors—here we do little as true masters and sensible stewards. Correct relations are needed.

[Burkaleva] In other words, you are in favor of civilized relations.

[Khasbulatov] Yes.

[Burkaleva] Ruslan Imranovich, please excuse me for a rather unpleasant question. Deputies criticize you for sometimes treating them like students and making them angry; you do not let them speak out.

[Khasbulatov] This is two sides of the same coin. There is the agenda containing five or six questions, and if everyone were allowed to speak as much as they chose, we would never resolve a single question. There has to be some discipline! Of course, it is certainly bad when I make people angry, and if I am rude, people are right to criticize; that must not happen, but there must also be self-discipline. People need to realize how full the agenda is and not to lay claim to making endless speeches.

But not everything goes smoothly even in civilized parliaments. There is one way out here: I must admit my guilt, and deputies, too, must be more self-critical. We must all be more self-critical and give fewer grounds for mutual recriminations.

It must be said that our parliament is maturing quite rapidly. Tremendous experience has been accumulated over the last 18 months, and, to be frank, during the rotation I would like to keep most of the deputies here in parliament. I see them as representing great potential and many capable deputies; in general constant opposition is necessary. Whether some outsider likes this or not, this creates our parliament's own hallmark, its own style.

[Burkaleva] What does your work mean to you?

[Khasbulatov] A great deal. To be frank, I have no personal life whatsoever, and if someone thinks I love power, that could not be more untrue. I am simply conscious of my responsibility. I am aware that I am doing a serious job. The letters from people who support me are a help. Incidentally, for every 200-300 letters there may be one negative letter. The awareness that, despite everything, it is possible to adopt necessary and important legislative acts and somehow to bring deputies together is certainly what gives me strength. I feel some strain, but I think that parliament realizes that it, together with the president, must be not only a strong, legislative organ but also one of the guarantees of stability in society.

Holds First News Conference

LD2910230491 Moscow TASS International Service in Russian 1815 GMT 29 Oct 91

[By TASS parliamentary correspondents Aleksandr Mineyev and Gennadiy Talalayev]

[Text] Moscow, 29 Oct (TASS)—The Russian Federation Supreme Soviet must assume its share of responsibility for implementing the radical reforms put forward by Boris Yeltsin and creating the legal field for these, believes Ruslan Khasbulatov, head of the Russian parliament.

Speaking in the Kremlin today at his first news conference since being elected chairman of the Russian Supreme Soviet, he noted that partnership and cooperation between the executive and legislative powers are essential. "There is no need to strive deliberately for opposition," said Ruslan Khasbultov. "Only these two powers must be genuinely professional. Opposition will arise objectively." For the present, he said, futile quarrels, accusations, and counteraccusations must fade into the background.

"We are at a dangerous moment when the socialist camp and the Soviet Union have fallen apart, and now there is talk of erosion in the Russian Federation as well," he continued. In this connection he accused journalists of "fanning the flames of national enmity by covering events at centers of tension in a primitive and unqualified manner and by elevating scoundrels to the rank of national heroes." In his opinion, the breeding ground for continuing General Dudayev's regime in Chechen-Ingush, which he called "criminal," has been more than half created by the support, perhaps involuntary, of the press and television.

Ruslan Khasbulatov believes that the Russian Government has an extremely flexible policy on the nationalities issue. If the opposite were true, the whole republic, in his opinion, would be swept by the flames of conflict.

Comments on Bilateral Relations

LD2910193591 Moscow Radio Rossii Network in Russian 1600 GMT 29 Oct 91

[Text] Ruslan Khasbulatov, who was elected chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet, considers establishing government relations between the parliament and the president the major task. In his interview with an INTERFAX correspondent, he stressed that the relations should be based on respect and partnership. It is not necessary to seek pressure here, but to cooperate constructively, the head of Russia's parliament said. The legislative power must deal with legislative power; it is its function and not the president's. Ruslan Khasbulatov announced his intention to firmly and consistently defend the deputies' interests and the Supreme Soviet's powers. Among other tasks facing the Supreme Soviet he heads, he named strengthening its supervisory functions.

Russian Soviet Issues Report on CPSU

PM2310140191 Moscow PRAVDA in Russian 23 Oct 91 p 2

[Ye. Sorokin report: "In the Russian Parliament—CPSU Case Heard"]

[Text] As we know, after suspending CPSU activities the Russian parliament set up a commission to clarify the

role of CPSU organizational structures in the 19-21 August coup d'etat. Yesterday the parliamentary hearing of this question opened in the Russian Supreme Soviet: It will obviously go on for several days.

Russian Soviet Federated Socialist Republic [RSFSR] General Prosecutor V. Stepankov was first to take the floor. He said that so far 14 people have been arrested in connection with the State Committee for the State of Emergency [SCSE] case. During the investigation, the Prosecutor's Office studied the case more extensively, and it is inquiring about specific individuals and not about parties or social organizations. Therefore the information he cited was reached on the basis of an analysis of specific individuals' actions.

V. Stepankov said that even before the putsch, certain people in the CPSU Central Committee Secretariat had links with what was to become the SCSE. Central Committee secretaries gathered for a conference on 19 August where they discussed the country's state of affairs. The conference examined the SCSE documents, which had been made known to the general population, and the USSR president's health. The conference also prepared the text of the cipher telegram sent to republic, kray, and oblast CPSU committees. The text read as follows: "In connection with the introduction of the state of emergency, adopt measures on Communist participation in assisting the State Committee for the State of Emergency. Be guided in your practical activity by the USSR Constitution. We will report on the CPSU Central Committee Plenum and other undertakings subsequently."

A second cipher telegram was sent the next day: "In connection with introducing the state of emergency in individual USSR localities, we ask that the CPSU Central Committee be kept informed on the situation in the regions, the mood of the people, the measures being undertaken to impose order and discipline, and the population's reaction to SCSE actions in the USSR."

Documents retrieved from oblasts and krays in the course of the investigation prove that in Samara, Lipetsk, Tambov, Saratov, Orenburg, Irkutsk, and Tomsk CPSU Oblast Committees; in Altay and Krasnodar Kray Committees; and in a number of other committees there was support for SCSE activity. Nevertheless, V. Stepankov noted that the majority of party organizations gave no official reaction to SCSE activity. In a number of committees, all incoming and outgoing documents linked with the events were destroyed.

The 20 August appeal by the Central Committee Secretariat prompted an appropriate response: The CPSU Central Committee started to receive telegrams from the localities on the state of affairs in particular oblasts. V. Stepankov noted that this support came in general from Russian oblasts where the same people occupied the top party and soviet positions. The First Congress of RSFSR People's Deputies resolution on the inadmissibility of holding more than one office at any one time was sabotaged by the party organs. At the beginning of the year, the RSFSR Prosecutor's Office ordered local prosecutors to appeal against all such cases. By 20 August this task had been completed.

Next, deputies heard a report by RSFSR Justice Minister N. Fedorov. He quoted from a number of documents linked with the CPSU's foreign political activity, which in fact bore no relation to the 19-21 August events. For example, the document "On Debts Owed by Soviet Organizations to Friends' Firms," states: "Since the end of 1989, firms in friendly countries (France, Italy, Greece, Cyprus, Austria, Sweden, Uruguay) have run up against huge difficulties because of nonpayment by Soviet contracting parties for deliveries to our country. On several occasions this has pushed firms to the brink of bankruptcy, and only M.S. Gorbachev's intervention allowed a critical situation to be rectified in time." Another document revealed that the French company "Interagro" [as transliterated] requested settlement of an account for $138 million, $67 million of which constituted overdue debts. The question was referred to M.S. Gorbachev. The Bank for Foreign Economic Activity was ordered to take emergency measures. A transfer of $9 million was authorized immediately and that of a further $1.5 million a short while later. It was planned to extinguish the remaining debt from credits promised by the French Government.

The Minister of Justice quoted other instances of what he called expenditure by the CPSU to support foreign communist parties which was not covered in its budget but came from the state coffers. V. Falin, director of the Central Committee International Department, was particularly active in this sphere: Falin's name cropped up on more than one occasion in the Russian Justice Minister's report.

N. Fedorov made a detailed legal analysis of the current situation with respect to the CPSU and its property.

Next, a report by the RSFSR Supreme Soviet commission to clarify the role of CPSU organizational structures in the putsch was heard, and the debate began. The parliamentary hearings will continue for several days, after which the Supreme Soviet will have to adopt an appropriate resolution.

Ministers Work on Indexation of Incomes

LD2610085991 Moscow TASS International Service in Russian 1705 GMT 24 Oct 91

[By TASS parliamentary correspondent Galina Vinitskaya]

[Text] Moscow, 24 Oct (TASS)—A law "On the Indexation of Citizens' Incomes and Savings in the Russian Soviet Federated Socialist Republic [RSFSR]" which the Russian parliament sent back for reworking several times was adopted today by the Russian Supreme Soviet. It establishes the procedure for index-linking the incomes and savings of RSFSR citizens to growth in prices. The Supreme Soviet charged the republican Council of Ministers with working out an instruction,

within one month, on the procedure for index-linking citizens' incomes. The Council of Ministers must also agree on the sources for indexing servicemen's incomes, state pensions, and social benefits with the Committee for Emergency Management of the USSR National Economy.

Official Warns Against Freeing Prices

LD2910211591 Moscow TASS International Service in Russian 1451 GMT 29 Oct 91

[By TASS parliamentary correspondent Tamara Zamyatina]

[Text] Moscow, 29 Oct (TASS)—We must not introduce decontrolled prices, having done nothing to abolish the monopoly of the producer. This is what Mikhail Zakharov, chairman of the parliamentary commission for social policy and "father" of the law on indexation adopted by the Russian Soviet Federated Socialist Republic Supreme Soviet last week, said about the Russian president's intention to decontrol prices in one go. With shortages, he stressed in an interview with the TASS correspondent, the monopolist can set any price while the dealer can make it even more exorbitant. Therefore, the parliamentarian believes, controlled state prices should remain for many goods, while decontrolling them should be accompanied by adopting antimonopoly legislation. This will make it possible to saturate the market with goods and lower prices.

M. Zakharov tried to refute the view expressed by his opponents to the effect that the indexation of citizens' incomes will entail hyperinflation: "After all, we do not propose to index incomes counted in millions or even in 2,000 or 3,000 rubles. It is only a question of an average salary of about 600 rubles. So without indexing all incomes, we are already dampening inflation and causing it to fall, not to rise." It is unacceptable to carry out reforms at the expense of people's falling living standards without reducing expenditures for armaments and the upkeep of a swollen state apparatus, he added.

CPSU Readiness To Prove Alibis Questioned

LD3010111291 Moscow TASS in English 1038 GMT 30 Oct 91

[Text] Moscow October 30 TASS—"Are the CPSU 'suspects' prepared to prove their alibis during the hearings in the Russian Supreme Soviet?" the newspaper "RABOCHAYA TRIBUNA" inquires today.

"According to the analysis carried out by the Control Department of the Russian president's administration, more than 70 per cent of the regions, territories, autonomous republics and districts did not support the Russian leadership during the August events. They sided overtly or covertly with the State of Emergency Committee. Some of them preferred to wait-and-see or not to disclose their real stand," Valeriy Kachurin writes in the newspaper.

"The democratic forces in regional Councils of People's Deputies were actually in the minority. The share of former party officials, incorporated into local executive bodies, ranged from 30 to 90 per cent throughout Russia," Kachurin notes.

"The Russian parliament was faced with many quite unexpected exposures and saw various secret cables, heard many guesses and suppositions during the hearings. But one thing is clear: The deputies can only presume, while it is for the court to pass the final verdict. It has the right to determine both the fate of the Soviet Communist Party and the personal responsibility that should be borne by its leaders. Only the court can decide whether this party has the right to exist or not," Kachurin believes.

Fifth Congress of People's Deputies

Reaction to Yeltsin's Address to Congress Reported

Russian Foreign Minister Comments

LD2910202391 Moscow Russian Television Network in Russian 1800 GMT 29 Oct 91

[From the "Vesti" newscast]

[Text] Yesterday's speech by Russian President Boris Yeltsin at the Congress of People's Deputies will most likely become a subject for thorough study by politicians and journalists in this country and abroad. That is why the Russian Soviet Federated Socialist Republic's Ministry of Foreign Affairs decided that its duty was to invite the ambassadors of foreign powers to its new residence on Staraya Square to explain the major points of the president's policy statement.

[Begin Russian Foreign Minister Kozyrev recording] At the Congress of People's Deputies Boris Nikolayevich Yeltsin announced the program for a reform breakthrough. He took historical responsibility upon himself, including direct responsibility for the government. The world is expecting our reforms. The world is fed up with giving us assistance without seeing any reforms. I am convinced that reaction will be positive and there will be a sigh of relief. Finally, Russia has embarked on the road to reforms. Finally, there is a firm political leadership for these reforms, and the West will be able to help us implement real programs. [end recording]

Medvedev on Yeltsin Plan

OW2910212691 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Roy Medvedev, one of the leaders of the recently established Russian Soviet Federated Socialist Republic [RSFSR] Socialist Workers' Party, believes that the Russian President Boris Yeltsin had painted the situation in the country in rosy colours in his address to the

Congress of the RSFSR People's Deputies and that the picture is much bleaker than than Yeltsin had presented. At his Tuesday [29 October] press conference in Moscow Medvedev challenged the opinion that the set of measures suggested by the RSFSR president could improve the situation by the autumn of 1992. Medvedev predicts a turn for the worse next autumn and, in particular, winter. According to Medvedev, the price liberalisation Yeltsin offered is a dangerous fallacy that would have unpredictable consequences, including a wider gap between the haves and have-nots in the USSR.

Khasbulatov Supports Yeltsin Reforms

OW2910211891 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] The Russian Supreme Soviet must be persuaded to realize the reforms proposed by President Yeltsin announced the president-elect of the Supreme Soviet Ruslan Khasbulatov on Tuesday [29 October]. In his view the parliament will have to "give its views" on the economic reforms and create "the necessary legal groundwork" for their implementation. Khasbulatov also spoke in favour of changing the structure of representative power, i.e. the soviets, vhich have proven ineffective.

It would be useful, he continued, to discuss at the congress the draft constitution of the Russian Federation, especially the questions of statehood and interethnic relations, which have caused concern among the autonomies.

Khasbulatov sharply criticized the role of certain elements of the mass media who he said "went more than half way" in facilitating the establishment of the regime of General Dubaev in Checheno-Ingushetia. He complained that having spent great efforts creating Russian TV and radio he now witnessed them "actively breaking up the country". The president of the Russian parliament also criticized the interview in "Nenavisimaya Gazeta" with Konstantin Masik, the first deputy prime minister of the Ukraine.

Democratic Russia Movement Comments

LD2910105691 Moscow Russian Television Network in Russian 2100 GMT 28 Oct 91

[From the "Vesti" newscast]

[Text] Today the Democratic Russia Movement leadership called for public committees to be formed to support the reforms presented in Yeltsin's speech to the congress on the basis of the headquarters for Yeltsin's election as president of Russia, which were in operation during the summer's election campaign. One of Democratic Russia's eminent figures, People's Deputy Viktor Sheynis, has called Yeltsin's decision to head a Russian government a mistake, reports the RUSSIAN INFORMATION AGENCY. Sheynis stated that he would try to get the matter of discussing a new draft Russian Soviet Federated Socialist Republic constitution onto the congress agenda. The deputies rejected the proposal today.

Acting Minister Filshin Comments

LD2910220291 Moscow Radio Rossii Network in Russian 1800 GMT 29 Oct 91

[Text] Boris Yeltsin spoke at the Congress of the Russian People's Deputies about the possibility of Russia introducing its own currency if the republics do not give up the introduction of their currencies and do not reach agreement on setting up a joint interrepublican bank.

Assessing the consequences of such a step, Filshin, acting Russian minister for foreign economic relations, commented on the president's speech in the following way: I think that when speaking about the possibility of Russia introducing its own currency, Yeltsin made a tactical move and attempted to nudge the republics toward a more sensible approach in the financial sphere for the last time. There is no such question at the professional level, as we can provide for our sovereignty in a more simple way, for example by setting quotas for the emissions in every republic. At the same time a quota should not exceed a certain percentage of the national income or any other index. The wild emission that has been happening lately will finally be restricted. I believe that containing the emission on the basis of interrepublican agreements is absolutely necessary and realistic. At the level of professionally trained leaders of departments we can reach anything, Gennadiy Filshin added.

Silayev Promises Yeltsin Decision

LD2910222291 Moscow Radio Rossii Network in Russian 2100 GMT 29 Oct 91

[Text] Commenting on Yeltsin's speech, Ivan Silayev said: We saw Yeltsin once again as we have seen him in difficult times. The decision of the president to head the cabinet for reforms himself is the decision of a brave man. As the former head of the Russian Government and the leader of the Interrepublican Economic Committee, I can only welcome this choice, which is the only correct one today. It is obvious to me that the cabinet for reforms, which our press has already nicknamed the Kamikaze government, can only be the cabinet of trust. Ivan Silayev added: There is no other man in Russia who would have enjoyed greater trust of our citizens than the president himself.

More on Silayev's Reaction

LD3010072391 Moscow TASS International Service in Russian 2121 GMT 29 Oct 91

[Text] Moscow, 29 Oct (TASS)—"The decision of President Yeltsin to head the cabinet for reforms himself is the move of a very brave man," Ivan Silayev, chairman of the interrepublican Economic Committee (IEC),

stated today to a TASS correspondent. "As the former head of the Russian government and the leader of the Interrepublican Economic Committee, I can only welcome this choice which is, perhaps, the only correct one today," Silayev said. From his point of view, the cabinet for reforms which the Soviet press has already nicknamed the "kamikaze" government, can only be the cabinet of tust." There is no other man in Russia who would have enjoyed greater trust of our citizens than the president himself," Silayev stressed.

Russia's resolve to begin radical market transformations is a very difficult and responsible decision but, all the same, the only correct decision today, the leader of the IEC believes. According to him, the situation in the economy is such that "there is nowhere left to retreat to and there is no more time to retreat either." The success of the reforms in the sovereign republics which are members of the economic community, and the success of the reforms in the other republics, too, will be determined to a large extent by how quickly, in how much of a coordinated manner, and how successfuly the reforms proceed in Russia, Silayev said.

Touching on the role of the IEC in the process of the entry of the sovereign republics of the new union into the market, Silayev stressed that it would be of a coordinating and harmonizing nature. At the same time, he did not rule out the possibility of friction and contradictions. "We must be ready for them and accept them without becoming painfully impassioned, as simply aspects of the work which accompany the transformation of such a vast economic organism as Russia, as our whole country," the head of the IEC said.

Party Leader Evaluates Address

LD2910235791 Moscow All-Union Radio First Program Radio-1 Network in Russian 2000 GMT 28 Oct 91

[Text] In his interview to a STUDINFORM correspondent, Nikolay Ilich Travkin, Russian Soviet Federated Socialist Republic people's deputy and the leader of the United Democratic Party of Russia, evaluated the political report by Yeltsin rather positively. It is good that Yeltsin is not afraid of responsibility and took everything upon himself, he said. At the same time Travkin gave a critical evaluation of the shock therapy principles for Russia. The shock will last for four days, he said, after that we will forget the word market for a long time. Russia is not Poland, where all of Europe played the role of shock absorber.

In answer to the correspondent's question on what the president did not say in his speech, Travkin said that Yeltsin completely ignored the national issue, in particular the position of the Russian-speaking population in the former USSR republics. Even if only one-tenth of them resettle, an end will come to all the reforms.

Yeltsin's Office Prepares Reorganization Draft

LD2910172391 Moscow Radio Rossii Network in Russian 1600 GMT 29 Oct 91

[Text] The Russian Soviet Federated Socialist Republic president's office has prepared a draft decision on the organization of executive power for the period of radical economic reform. This draft is to be submitted to the Congress of Russian People's Deputies this afternoon.

According to this draft, elections to representative and executive bodies of state power at all levels will be banned until 1 December 1992, except for replacing deputies who have left. It is proposed not to cancel the elections of presidents of republics within the Russian Federation, which have already been planned. The draft grants Russia's president an opportunity to independently carry out the reorganization of executive bodies of power in Russia within the limits of the funds allocated for this in the budget. As well as this the president will have the right to form executive bodies of krays, oblasts, autonomous oblasts, autonomous okrugs, cities, and rayons. The draft proposes that republican supreme soviets should refrain from referendums and early elections to soviets at all levels for the period of the reform.

Congress Elects Constitutional Court Members

LD2910201591 Moscow TASS International Service in Russian 1923 GMT 29 Oct 91

[Excerpts] Moscow, 29 Oct (TASS)—The Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet press center today distributed the following announcement:

"On 29 October the session of the Fifth (Extraordinary) Congress of People's Deputies of the RSFSR was opened by B.M. Isayev, deputy chairman of the RSFSR Supreme Soviet. [passage omitted]

"Those present listened to and questioned 21 candidates for membership in the RSFSR Constitutional Court. Another three deputies, not present at the Congress, were listed for the secret ballot at the request of the RSFSR Supreme Soviet committees. After discussion of some candidacies, deputies decided to hold a secret electronic ballot. According to the results, the following have become members of the Constitutional Court: N.V. Vitruk, N.T. Vedernikov, V.D. Zorkin, T.D. Morshchakova, V.I. Oleynik, Yu.D. Rudkin, N.V. Seleznev, O.I. Tiunov, B.S. Ebveyev, and E.M. Ametistov. The rest of the RSFSR Constitutional Court members will be elected during tomorrow's session."

Candidate on Functions of Constitutional Court

LD2910224691 Moscow Radio Rossii Network in Russian 1300 GMT 29 Oct 91

[Report from the Russian Soviet Federated Socialist Republic, RSFSR, Congress of People's Deputies by correspondent Yevgeniy Zherebenkov]

[Excerpts] [passage omitted] The deputies went on to the second item on the agenda: more elections, this time for the members of the Constitutional Court. From 23 candidates, 15 constitutional judges have to be chosen. The deputies are still hearing the candidates and questioning them. I decided to ask Aleksey Ivanovich Kazannik, one of the candidates, a few questions of my own. Aleksey Ivanovich, what kind of Constitutional Court will it be and what will it do?

[Kazannik] The Constitutional Court of Russia probably has no equivalent in the world because it is an exceptionally effective body by virtue of the powers vested in it. Briefly, the functions of the Constitutional Court of Russia can be listed as follows: first and most important, it scrutinizes international treaties Russia signs with foreign states. If they do not correspond to the RSFSR Constitution, they can be ruled unconstitutional. All Russian laws and enactments enforceable by law are to be scrutinized for compliance with the Constitution. The Constitutional Court examines territorial disputes between members of the Russian Federation. You will agree that in the current situation this is an exceptionally important part of its work. Finally, the Constitutional Court will scrutinize judicial practice. This is something new in our legislation, and in the practice and work of the supreme bodies of the judiciary. For example, if a plenary meeting of the RSFSR Supreme Court adopts a ruling on the application by the courts of legislation on crimes of dishonesty [korystnyye prestupleniya], and if this ruling is not in keeping with the Constitution, then the Constitutional Court can of course declare it unconstitutional.

[Zherebenkov] Aleksey Ivanovich, but there is already the Constitutional Supervisory Commission [as heard] which is an all-Union body. How will this Court differ from it?

[Kazannik] The Constitutional Supervisory Committee does indeed exist, but I want to say that it was ineffective. It dealt with petty issues of secondary importance because its terms of reference were not tightly enough defined. The Russian Constitutional Court differs, first, in its powers. As I said before, it is very effective. Second it differs in the way it operates. You see, an adversarial procedure is envisaged; that is, an interested organization petitions the Constitutional Court to rule that this or that act is unconstitutional. Highly qualified representatives of this organization will argue that the act is unconstitutional. Other competent people will defend it, and as a result of such discussions the truth can be reached and a balanced verdict adopted.

[Zherebenkov] Aleksey Ivanovich, in two words, will ordinary citizens be able to petition the Constitutional Court as a body of last resort?

[Kazannik] No they will not. As before, their complaints and statements will be examined by administrative, judicial, and procuracy bodies. The Constitutional Court will rule on more general matters, on judicial procedures. [passage omitted]

Congress Not To Review Draft Constitution

LD3010124491 Moscow All-Union Radio Mayak Network in Russian 1100 GMT 30 Oct 91

[Report from the Fifth Congress of People's Deputies of the Russian Soviet Federated Socialist Republic, RSFSR, by reporter Vera Shchelkunova]

[Text] The congress began its work today by holding the second round of elections for constitutional judges, as this work was not completed yesterday. As a result, 13 people have been elected, which is sufficient for the Constitutional Court to begin functioning.

An important amendment has been made to the congress agenda. If you recall, it was decided on the first day not to examine the draft new constitution at this congress, as it was not yet ready. There was a great deal of work still to be done, so the discussion could have simply developed into a fruitless debate. However, the deputies returned to this subject today and decided to include this item on the agenda after all, but in a slightly different version—on the work of the Constitutional Commission and on the blueprint for the new constitution.

I would like to draw our listeners' attention to another interesting fact. The package of official papers distributed to deputies every day today included documents that emerged from the depths of the CPSU—from the depths of the CPSU Central Committee and the Communist Party of Russia Central Committee. They relate to how the campaign to discredit Yeltsin at the presidential elections was prepared.

This was written by the humanitarian department of the CPSU Central Committee: first, to try to prevent Yeltsin from being elected president in every possible way. If there is no other way, there is this recommendation: Having agreed to introduce the post of president of the RSFSR, try to drag out the date for the elections as long as possible and to discredit the event by all means as being of little consequence. Try to conduct this campaign with a view to making maximum use of the growing mistrust in politicians and political procedures among the population, so that as many voters as possible overall and in terms of territories do not take part in the election for president of the RSFSR.

I think that we all remember the days that preceded the presidential elections, and we remember the persecution campaign that was launched, on television, on the radio, and in other mass media against Boris Nikolayevich Yeltsin. We can see all this here. We recall the numerous appeals by figures of various ranks urging us to withdraw from politics, saying that the population is too politicized, everyone is tired, what do we care about politics anyway? This was, it turns out, an instruction that originated from the CPSU Central Committee.

I will not quote the other documents, as it would take up too much time. The RSFSR Congress of People's Deputies is continuing its work, and is now examining a draft RSFSR law on additions and amendments to the republican constitution.

Isayev, Goryacheva Cited on Resignations

OW2910140691 Moscow INTERFAX in English 1215 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] On October 29, upon hearing the official results of voting held on October 28, the Congress of People's Deputies of the Russian Federation passed the resolution on electing Ruslan Khasbulatov Chairman of the Russian Federation's Supreme Soviet. Mr. Khasbulatov scored 559 votes, leaving the other four deputies far behind.

The congress accepted the resignation of Boris Isayev and Svetlana Goryacheva from the posts of vice-chairpersons of the Russian Federation's Supreme Soviet at their request. Both of them were among the six figures who signed last spring the statement criticizing Boris Yeltsin's policies.

Mr. Isayev motivated his decision by the fact that "no one knew when a civilized market will be created and when the parliament will pass its powers over to the President's executive structures."

Mrs. Goryacheva wrote in her resignation statement that she had got confronted with "politicking, indecency and lies." What the statement of the six warned against, she said, has come true: We have found ourselves amid economic and state catastrophe.

Ruslan Khasbulatov said that Boris Isayev would head the Department for Socioeconomic Affairs in the apparatus of the Supreme Soviet.

PRAVDA Urges Deputies To Heed 'Voice of Reason'

LD2810094991 Moscow TASS in English 0826 GMT 28 Oct 91

["PRAVDA Review"—TASS headline]

[Text] Moscow October 28 TASS—Today's PRAVDA frontpages a letter to the Congress of Russia's People's Deputies. On behalf of millions of its readers, the newspaper urges the people's deputies of Russia to heed the voice of reason and take decisions in order to lead the country out the protracted crisis and resolve issues depending on which are the historical existence of the country, the survival and national dignity of each of its peoples.

Only along the lines of accord and civic motivation it is possible to find ways to resolve problems and "to create a normal atmosphere for difficult reforms which are utterly essential for the country," PRAVDA emphasises.

Commenting on the congress agenda, the newspaper points out that "it is not constitution but much more mundane problems that the congress should focus its attention upon."

"The congress would not fulfil its principal purpose and would provide no answers to vital issues if it gets tangled up in endless arguments about the fundamental law," the newspaper cautions.

PRAVDA fears that the regular forum of Russia's people's deputies "would find itself on the roadside of life, getting bogged down in pointless and tiring discussions."

Under the rubric "The Autumn Offensive of Trade Unions," PRAVDA carries a column of reports on the working people's action at the local level. PRAVDA correspondents report numerous meetings taking place in work collectives, with workers supporting the independent trade unions' slogan "market prices should be matched by market- determined wages."

But their opinion is that the government and parliament should begin with drawing up reasonable laws and straightening things out in the country, not with providing tights and sausage, the newspaper emphasises.

"Formal reforms will not save Russia," Mikhail Bocharov, people's deputy of the Soviet Union and the Russian Federation and former chairman of Russia's Supreme Economic Council, told PRAVDA in an interview published today.

Presenting his programme for economic recovery, Bocharov said that "before speaking about reforms, one should provide an instrument for effecting reforms and think it over how to carry them out."

"One should not resort to formal reforms now. Each reform should be thoroughly thought out. And it is necessary to visualise the consequences of the implementation of contemplated measures, be it the release of prices or the privatisation of the economy. Otherwise there may be a social outburst," Bocharov said.

Scholars N. Zagladin, A. Matsnev and M. Muntyan have contributed a theoretical article to PRAVDA on the subject "What Kind of Europe and Russia the 21st Century Will See."

From theoretical positions, the scholars examine prospects for the development of contemporary society. They write that "the old system of international relations based on the priority of strength is being replaced by a new one relying on countries' gravitation towards cooperation."

Analysing the contradictions of world development, they depart from the theory of formations, on which Soviet science relied in the past. A specific historical approach is necessary for explaining the phenomena of world development, the scholars maintain.

Ye. Fadeyev, PRAVDA's correspondent in Belgrade, tries to answer the question about the price of the civil war in Yugoslavia. He writes that the civil war in Yugoslavia ruins primarily its economy.

"In the current year the social product in Yugoslavia will diminish by 20 per cent as compared with last year. If the war continues, the annual slump in industrial production will amount to 50 per cent. The country is slipping down to the abyss of economic chaos: Goods exchanges and monetary ties between republics have been almost completely terminated," the journalist points out.

"The Russian Factor" is the headline of an article in PRAVDA by Anatoliy Karpychev who tries to provide an answer to the question about the direction in which Russia is going.

"I do not think that someone knows the answer," the publicist writes. "Western Sovietologists when analysing the 'Russian factor' (i.e. events in Russia and their impact on the world) see few reassuring things apart from chaos, crisis and uncertainty," he points out.

Analysing the economic and political situation in the country, Karpychev maintains that people's patience has reached its limit. In this situation, people should act through joint efforts and proceed towards a new kind of unity, he believes.

PRAVDA returns to the case concerning the State of Emergency Committee. It reports that preparations for the coup were made by KGB's top leadership since December last year. On the strength of a statement by A. Oleynikov, chairman of the special commission that carried out an internal inquiry into the actions of officials, state security subdivisions and KGB troops on the eve of and in the period of the coup in August this year, PRAVDA maintains that the coup was prepared in an unprofessional way.

Oleynikov sees the causes of the failure of the coup in the fact that its organisers, having gone out of touch with realities, counted on the former obedience of the people and miscalculated.

PRAVDA Publishes Letter to Russian Congress

PM3010101391 Moscow PRAVDA in Russian 28 Oct 91 p 1

[Unattributed report: "Letter to Congress of Russian People's Deputies"]

[Text] The extraordinary Congress of Russian People's Deputies opened today. Deputies are proposing to discuss issues that are crucial for the republic and the whole country. Our editorial office is receiving masses of letters and messages to legislators at this time. We cannot print them all, but we have tried to produce a generalized letter to the congress, singling out the main themes. This could be signed by thousands and millions of our compatriots.

Esteemed People's Deputies! This is now the fifth time that you have gathered for the republic's supreme forum of authority. You have gathered at a time when unprecedented division and confrontation are once again tearing Russia apart, consuming it, when the country has more hot spots than the rest of the planet. Our vast expanses are increasingly reminiscent of a seething volcano ready to explode at any spark and bury beneath its ashes left-wingers, right-wingers, socialists, and democrats.

The fate of our Fatherland depends on your farsightedness and prudence today more than ever: Will it take the road of long-awaited accord and recovery, or will radicals of all shapes and sizes once again, for the umpteenth time this century, plunge it now into what is evidently the last civil bloodbath. The question of the country's historical existence and survival and the national dignity of each of its peoples is effectively being decided.

The situation is aggravated by the fact that, losing all control, our Russian ship of state is also beginning to break up and sink deeper and deeper into the web of trouble and strife. Everyone is aware that whatever you do today will hardly prove possible to avoid the impending catastrophe without restoring strict and sensible executive authority. People are extremely tired of the prevailing anarchy and demagogy. They value normal life, confidence, and hope above all else. Anyone capable of uniting them to secure these lofty goals can count on success and universal support.

It seems that after the dramatic events of August the drive to meet the pressing need for food, shelter, and security is once again moving to the back burner, giving way to political hysteria. Thus, all society may be set at odds once and for all and the legislature totally compromised.

There have been plenty of divisions in Russia's history. They all ended tragically. For instance, religious divisions drove hundreds of thousands of Old Believers from their homes. The division into "proletariat" and "bourgeoisie" took millions of people away to civil war. It was only after the bloodbath of the Patriotic War that our fathers and grandfathers were reconciled.

Once again they want an even more dreadful split. The hasty "privatization" of the Union center and the monopolization of glasnost and the law are separating us from the Ukraine and Belorussia, our age-old brothers and common primogenitors of the Russian state.

They now want to compound the ever-deepening split between republics, peoples, young and old, town and country and legislatively enshrine division by convictions—and brand as unreliable 40 million of our forebears, neighbors, and friends, past and present members of the CPSU, deeming them to be involved in the activity of a criminal organization. And if you take our immediate relatives, it is a question of humiliating almost half of the country's population. I do not think that even Beria and Yezhov would have done that in

their wildest dreams. It turns out that we are amnestying and rehabilitating some people, while we are once again turning others into collective enemies of the people.

This is happening in a country choked by crime, a country where genocide unprecedented in peacetime prevails, where the tombs of our ancestors and every family have already found themselves divided into sovereign independent states with empty maternity homes, where the number of suicides among women has exceeded the number among men. That has never happened in Russia's history.

Deputies, will you really allow this rootless evil free rein? You never know, two-thirds of you may find yourselves accused of being long-standing members of a "criminal organization." That will provide real legal and moral grounds for all manner of reprisals. Whether or not you have left the party is immaterial. We must all realize that the CPSU was not a party in the generally accepted sense of the word. It was a structure that formed and managed the state, and every one of its members could have acted on the basis of that state's usages. Especially since the laws prescribed no clear action.

Russian People's Deputies! Today you have a rare chance to break the vicious circle of fratricidal strife and create a normal atmosphere for the difficult reforms that the country so needs. It can only be based on civic spirit and accord. Some may lack the strength and courage to vote against an organized trial, renewed hostility, and violence—then abstain. Time will vindicate you. The voters and your descendants will be grateful to you.

29 Oct People's Congress Proceedings Detailed

LD3010002991

[Editorial Report] Moscow Russian Television Network in Russian at 2018 GMT on 29 October reports on "today's proceedings at the Russian Soviet Federated Socialist Republic [RSFSR] Congress of People's Deputies" session in Moscow on 29 October. The chairman of the proceedings declared the morning session open and called on deputies to honor the memory of the miners who died in the methane explosion in the Kuzbass. He also called on the chairman of the auditing commission to report on the results of the secret ballot for the post of chairman of the RSFSR Supreme Soviet, which he did. In a vote, the deputies confirmed their agreement with the results. Khasbulatov's election was confirmed. Deputy Kornilova congratulated Khasbulatov, noting that this is the first time in Russian history that the holder of such a responsible post had actually been freely elected. She handed Khasbulatov a bunch of flowers.

At 2024 GMT Khasbulatov began speaking about the need for unity and for eliminating the crisis phenomena that can be seen everywhere. He said that the the parliament must seek a way to salvation. He expressed his gratitude to the parliament for appointing him and assurd parliament that he would do his best.

At 2027 GMT Isayev, deputy chairman of the RSFSR Supreme Soviet, commented on the political differences between the various deputies but summarized the achievements that have resulted from the new democracy. He gave the negative features: the economy and the country as a whole are in ruins; speculation is rife; and unity is needed to combat these negative developments. On the whole, he said Yeltsin's proposals must be supported and called on everyone to back them. But how will they work? The functions of the Supreme Soviet are changing, and power is moving to the president. He asked to be relieved of his functions as deputy chairman of the RSFSR Supreme Soviet. At 2033 GMT the congress granted the request.

At 2034 GMT Goryacheva, deputy chairman of the RSFSR Supreme Soviet, made a personal statement. She painted a picture of the personal hardships she has endured since being appointed: the country is in ruins, and the people have been reduced to poverty. This is most depressing. She asked parliament to accept her resignation; her request was granted.

At 2036 GMT The chairmen of the chambers joined Khasbulatov. Khasbulatov said that the next item on the agenda is consideration of the candidates for the posts of judges in the constitutional court. Deputies have a list of the 23 candidates, 15 of whom must be selected. Khasbulatov describes the procedure to be followed.

Deputy Mityukhin, chairman of the candidacy examination committee listed the candidates. A Mari-El opposed the candidacy of A.M. Stepanov, who did not, he said, oppose the actions of the State Committee for the State of Emergency [SCSE]. Deputy Pudovkin from St. Petersburg said that these appointments are for life, and more time should be given for consideration. Why, he asked, is Varov missing from the list? An unidentified deputy then named other possible candidates. Mityukhin explained why they are not on the short list.

At 2049 GMT RSFSR Procurator General Stepankov said that lawyers and judges are the ones to be considered for these posts, not just any outstanding figure. A deputy objected to the candidacy of Kazannik. Mityukhin said that the new information supplied would be considered.

At 2052 GMT Khasbulatov ended this section of the debate.

The recorded program was interrupted at 2054 GMT for the "Vesti" newscast and resumed at 2119 GMT.

Khasbulatov turned over the proceedings to Ernest Mikhaylovich Ametistov, one of the candidates for the post of Constitutional Court judge. He gave a profile of his professional life and answered questions.

At 2126 GMT Nikolay Vasilyevich Vitruk, another candidate then spoke and answered questions.

Vitruk was followed by the other candidates: Professor Nikolay Trofimovich Vedernikov at 2131 GMT;

Vladimir Venediktovich Demidov at 2136 GMT; Viktor Martianovich Zhuykov at 2141 GMT; Valeriy Dmitriyevich Zorkin at 2144 GMT; Aleksey Ivanovich Kazannik at 2148 GMT; Anatoliy Leonidovich Kononov at 2157 GMT; Viktor Osipovich Luchin at 2200 GMT; Gennadiy Mikhaylovich Melkov at 2203 GMT; Tamara Georgiyevna Morshchakova at 2209 GMT; Ruvin Vladimirovich Nazarov at 2215 GMT; Vladimir Terentyevich Kabyshev at 2217 GMT; Vladimir Ivanovich Oleynik at 2221 GMT; Valeriy Nikolayevich Prokopyev at 2225 GMT; Yuriy Dmitriyevich Rudkin at 2228 GMT; Nikolay Vasilyevich Seleznev at 2223 GMT; Yuriy Petrovich Slobodchikov at 2236 GMT; Anatoliy Mikhaylovich Stepanov at 2240 GMT; Oleg Ivanovich Tiunov at 2248 GMT; and (Boris Safarovich Ebzeyev) at 2252 GMT.

At 2255 GMT Deputy Zolotukhin commented on Ametistov's candidacy. He said the candidate is out of the country at a meeting of an important EC body.

At 2256 GMT Deputy Chebotarevskiy read the results of the Constitutional Court election, giving voting figures for each candidate. He listed those who had elected.

The recording ended at 2300 GMT.

International Affairs

Aliyev Says Gorbachev Implicated in Conflict

LD2910100191 Moscow Radio Rossii Network in Russian 2000 GMT 28 Oct 91

[Text] Geydar Aliyev, well-known former member of the former Politburo of the CPSU Central Committee, has asserted in an interview to the St. Petersburg newspaper CHAS PIK that Mikhail Gorbachev was personally involved in the origins of the Armenian-Azerbaijan conflict. Our correspondent Denis Gurinskiy has the details:

[Gurinskiy] Geydar Aliyev, former leader of the Azerbaijan communists and the chairman of the Supreme Majlis of the Nakhichevan Autonomous Republic, has accused USSR President Mikhail Gorbachev of being—I quote—personally involved in the origins of the Armenian-Azerbaijan conflict. Aliyev said in an interview to the St. Petersburg newspaper CHAS PIK that he has documents proving that Gorbachev sanctioned the recent escalation of combat operations in that region, the deportation of the Azerbaijan population from Armenia, and many other actions which will be disclosed by Aliyev in the near future.

In Aliyev' words, Azerbaijan President Ayaz Mutalibov came to power as a result of—I quote—sanctioned elections. Apart from this he supported the USSR State Committee for the State of Emergency and now he is—I quote—an accomplice to the crime and must be brought to book as a member of Politburo of the Party which was involved in the coup.

Geydar Aliyev said also that this is the first time that he has told the story of his return from Moscow to Azerbaijan on 5 June this year . According to Aliyev, the director of Baku's major publishing house, Khan Babayev, who decided to arrange the festivities in Baku on the occasion of Aliyev's return, was killed the day before Aliyev's arrival. The Nakhichevan leader suspects that the Azerbaijan KGB was involved in this murder.

Speaking on the series of suicides of top party functionaries, Aliyev stressed that whoever manages to solve the mystery of these suicides will get through to the CPSU gold. Assessing the prospects for the development of the Nakhichevan republic , Aliyev said that it should acquire status within the Azerbaijan free economic zone. Geydar Aliyev is optimistic and speaks in favor of implementing a package of measures to grant the republic the status of a transit and economically liberal junction linking the Near East countries with the European part of Russia.

Kozyrev Briefs Ambassadors on Yeltsin Speech

LD2910215691 Moscow Radio Rossii Network in Russian 1000 GMT 29 Oct 91

[Text] Russian Soviet Federated Socialist Republic [RSFSR] Foreign Minister Andrey Kozyrev has met the ambassadors of Western European states, the United States, and Japan, and has given them appropriate explanations regarding the keynote speech by Russian President Boris Yeltsin at the RSFSR Congress of People's Deputies. It was stressed that the clear reform program put forward by the Russian leadership made it possible to make cooperation with the West in the fields of trade, economics, and finance more concrete and constructive. The ambassadors' attention was drawn to the fact that the entire tone of Boris Yeltsin's speech was clear testimony to Russia's determination to take the road of democracy.

Yeltsin, Cypriot President Agree on Food Aid

OW2910175691 Moscow INTERFAX in English 1710 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Cyprus is to send food aid to the Russian Federation during the period of rapid transfer to a market economy. The agreement was reached in Moscow on Tuesday [29 October] at a meeting between Russian President Boris Yeltsin and the president of Cyprus, Yeoryios Vasiliou.

According to the Russian president's press service the Cypriot produce will, at Boris Yeltsin's suggestion, be held in a special presidential reserve fund and will be distributed under the strict control of the Russian leadership.

During the meeting the Cypriot president mentioned the wish of Cypriot business circles to concentrate efforts on

solving the economic problems of one of the southern regions of Russia, an idea which President Yeltsin supported.

Departs Moscow 29 Oct

LD2910143191 Moscow TASS in English 1231 GMT 29 Oct 91

[By Sergey Postanogov]

[Text] Moscow October 29 TASS—President Yeoryios Vasiliou of Cyprus completed his stay in Moscow today and set out on a tour of the country.

During the visit to the Soviet capital, Vasiliou met with USSR President Mikhail Gorbachev and Russia's President Boris Yeltsin, addressed the faculty of the Moscow State Institute for International Relations and gave a news conference for Soviet and foreign journalists.

The programme for his tour of the country includes trips to Uzbekistan and Krasnodar territory. The principal aim of his visits to the regions is to discuss prospects for bilateral cooperation.

Agriculture Minister Signs Pact With Poland

LD2610035291 Warsaw PAP in English 2049 GMT 25 Oct 91

[Text] Moscow, Oct. 25—Polish Minister of Agriculture and Food Economy Adam Tanski and his counterpart in the Russian Government Gennadiy Kulik signed an agreement on cooperation in agriculture and exchange of farm produce between the two countries here Friday [25 October].

The Russian partners proposed to pay for Polish goods in roubles which could be used by Polish producers to buy Russian commodities and materials.

The agreement also provides for Poland's assistance in training Russian farmers.

Sakhalin Governor Views Future of Kurils

LD2610133191 Moscow TASS in English 1310 GMT 26 Oct 91

[Text] Moscow October 26 TASS—Sakhalin governor Valentin Feodorov said on Saturday [26 October] the country needs a new bold and resourceful government to solve current probelms.

"We don't have such a government. We receive government resolutions, but there are no specific proposals in them. Everything depends on local bodies of power. Yeltsin's success also depends on their policy," Fedorov said.

In an interview with the RABOCHAYA TRIBUNA newspaper, he said "economy is like a chess game. You can make right moves but lose a game because you made them at a wrong time".

Over the past 18 months, about 800 farms were set up in agriculture and 100 in fishing industry in Sakhalin, as well as many private shops and nonstate small businesses, which will replace state wholesale and retail trade in the future.

Fedorov also criticised the Russian Foreign Ministry for its policy as regards the four disputed Kuril Islands claimed by Japan.

"The Kuril Islands will float nowhere, no matter how much Russian politicians may desire it," he said.

Comments on Return of Islands

LD2910195391 Moscow TASS International Service in Russian 1320 GMT 29 Oct 91

[By Viktor Troyanovskiy and Raul Tukhvatullin]

[Text] Moscow, 29 Oct (TASS)—Roughly one-fifth of the 25,000 population of the southern Kurils does not object to handing over the islands to Japan, Sakhalin Governor Valentin Fedorov, who is taking part in the congress of Russian people's deputies, told TASS correspondents today. These are primarily people who have worked out their cotractual period and are hurrying back to the mainland to their home, he feels. The remaining inhabitants of the Kurils, in Fedorov's words, are in favor of keeping the islands in Russia.

The governor is convinced that neither the one nor the other section of Kuril inhabitants should resolve the future of the islands. Only a nationwide referendum has the right to change the Russian borders. Professor Fedorov intends to state this from the rostrum of the congress.

Valentin Fedorov feels that the Kurils problem should not slow down the signing of a peace treaty with Japan. It is not ruled out, that in the long term conditions for resolving the problem of the islands will appear, he added.

Russia Sets Up Trade Commission With Hokkaido

LD2610084291 Moscow All-Union Radio Mayak Network in Russian 1130 GMT 25 Oct 91

[Text] The decision to establish a permanent commission on trade and economic cooperation between the Russian Soviet Federated Socialist Republic and Hokkaido Island was reached today between Russian representatives and representatives from this large Japanese administrative region. As a result of agreement by both sides, the new, permanent body start its work this year. Offices will be opened in Moscow and Sapporo.

Report of Early Link to NATO 'Ridiculous'

PM2810153791 Moscow IZVESTIYA in Russian 26 Oct 91 Union Edition p 3

[Report by V. Litovkin: "Will Russia Join NATO?"]

[Text] The 24 October evening broadcast of "Vesti" reported some sensational news: Russia is an associate member of NATO.

Can it really be so? What does the term "associate member" of NATO mean? No official representative could answer these questions from IZVESTIYA.

The Russian Foreign Ministry refused to comment on what it sees as an absurd report. Vice President A. Rutskoy's staff said that Aleksandr Vladimirovich had indeed met with NATO generals and held talks with them on organizing a system of collective security in Europe with Russian participation, and the idea of the possibility of joining NATO as a future prospect was expressed. But you know, a mass of conditions have to be complied with in order for that to happen. And it is at the very least ridiculous to talk about it as if it were a fait accompli.

Belorussia

Supreme Soviet Resumes Sessions 29 Oct

Agenda Cited

LD2910195891 Moscow All-Union Radio First Program Radio-1 Network in Russian 1630 GMT 29 Oct 91

[Text] In Minsk today the session of the Belarus [Belorussia] Supreme Soviet resumed work. People's deputies are to discuss the next points on the agenda but circumstances and events of the last few days and parliamentarian's familiarization with the state of affairs on the spot have demanded a different approach to the work of the session. Several proposals were heard, first of all, to examine economic questions, to protect the market, to place limits on the export of goods and produce from Belorussia. At the proposal of Supreme Soviet Chairman Shushkevich, it was decided to devote a closed session of parliament to these problems tomorrow together with the Belarus Government.

Yeltsin Proposals Cause Concern

LD2910213291 Moscow TASS International Service in Russian 1914 GMT 29 Oct 91

[By BELTA-TASS correspondent]

[Text] Minsk, 29 Oct (TASS)—The economic programs announced yesterday by Russian President Boris Yeltsin have given rise to alarm and concern among Belorussian parliamentarians. This applies primarily to his plans for introducing accounts in world prices and, ultimately, Russia's own currency for those who "are aiming at isolation from the economic and political community." Many deputies of the Belarus [Belorussia] Supreme Soviet saw this as a desire to bring to their knees republics that have no strategic raw materials.

"The decisions by our neighbors ought to prompt us toward more active steps both in lawmaking and in executive activities," Mikhail Demchuk, deputy chairman of the Belarus Council of Ministers, said. "It is essential to make decisions immediately on privatizing land, introducing our own currency, and protecting the consumer market." According to Demchuk, the republic's government had already done the necessary groundwork in that area.

A closed sitting of the parliament at which it is planned to work out a strategy and tactics for the republic's activities under the new conditions has been scheduled for Wednesday [30 October].

Economic Accord Signed With Moldova 29 Oct

OW2910175791 Moscow INTERFAX in English 1700 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] A bi-lateral commercial and economic cooperation agreement vas signed in Minsk on Tuesday between Vyacheslav Kebich and Valeriy Muravskiy, the heads of government of Belorussia and Moldova. An "INTERFAX" correspondent reports that the document foresees the development of a cooperation programme between the two republics in the construction of industrial plants and also an increase in the supply of cars, industrial equipment and food products to one another.

Republic Leaders Comment

LD2910221391 Moscow All-Union Radio First Program Radio-1 Network in Russian 1630 GMT 29 Oct 91

[Text] An intergovernmental agreement between the Belorussian Republic and the Republic of Moldova was signed in Minsk today. Our correspondents Aleksey Zhuk and Petr Mokritskiy report:

[Zhuk] Under the conditions of a complicated situation which has taken shape in the country as a whole and between individual republics, it is necessary for our republics to have a clearer attitude and greater understanding of each other's needs and to find opportunities and ways for providing mutual help, particularly, regarding economic cooperation. This thesis and this idea was expressed more than once today, at the negotiating table, at the ceremonial signing of a joint document, and in the corridors.

[Mokritskiy] We know that practically all main types of products of industrial-technical application and consumer goods are supplied by Belorussia to Moldova. In its turn, the Republic of Moldova supplies cement, pipes, equipment, cable, and many other products to Belorussia, that is, this cooperation is mutually beneficial.

[Zhuk] And it is necessary to do everything possible to preserve it for the future.

[Mokritskiy] The heads of the delegations—Prime Minister Vyacheslav Kebich, head of the Belorussian delegation; Prime Minister Valeriy Muravskiy, the head of the Moldovan delegation. Here is what they said immediately after signing the agreement:

[Begin recording] [Kebich] The interests of the Belorussian Republic and the Moldovan Republic toward each other are similar in many respects, I would say, on the majority of positions. It is necessary to follow the path where there are already some ties, some guarantees, and some confidence.

[Muravskiy] Just this morning I managed to read the speech or the report by Yeltsin. And here far-reaching conclusions should be made because indeed we might find ourselves in a very difficult situation since both Belorussia and Moldova need fuel and lubricants since they receive processed fuel and lubricants already from us. On the whole, in the very near future our economic agreements will be transferred into political agreements. [end recording]

'Amateurish' Defense Changes Rejected

PM2910161791 Moscow KRASNAYA ZVEZDA in Russian 29 Oct 91 First Edition p 2

[Interview with Colonel L. Privalov, deputy chairman of the Belorussia Republic Supreme Soviet Standing Commission on Questions of National Security, Defense, and the Struggle Against Crime, by Colonel P. Chernenko; place and date not given, first paragraph is editorial introduction: "Belarus Republic: 'They Created the Body but Forgot About the Head'"]

[Text] Belarus [Belorussia] Republic People's Deputy Col. Leonid Privalov, deputy chairman of the Belarus Republic Supreme Soviet Standing Commission on Questions of National Security, Defense, and the Struggle Against Crime, has answered our correspondent's questions.

[Chernenko] Leonid Petrovich, your commission's working life, if I may put it that way, has lasted just two months. What has it managed to achieved in that time?

[Privalov] So far not very much. Mainly we have prepared various documents. But there are concrete results, too. Civil defense units and staffs, military commissariats, border and railroad troops, and organizations of the DOSAAF [Voluntary Society for the Promotion of the Army, Aviation, and Navy], which we now call the "Defense Sports-Technical Society," have been transferred to the republic's jurisdiction. Statutes on a defense ministry and security council have been elaborated, there are concepts for military reform and the creation of the Armed Forces.... The commission is trying to contribute to the common cause. Admittedly, I would like us to be more efficient in our activity.

[Chernenko] As is well known, by a majority vote the republic's Supreme Soviet deleted the question of the creation of a republican guard from the current session's agenda. Does that mean that there will be no guard as such in the republic?

[Privalov] When the republic's Supreme Soviet Presidium approved the session agenda it contained three questions relating to military problems: on a security council, on the creation of a defense ministry, and on the creation of a republican guard. But during the discussion at the session all these questions were dropped from the agenda. I can tell you frankly that this did not cause our commission much grief. As experience shows, haste in the solution of vitally important questions has always had negative results. We were hasty before when we assigned to ourselves a number of structures previously under USSR Defense Ministry jurisdiction. And now we do not know what to do next. There are no organs of administration, we do not have the ability to train specialists, and technical equipment remains the preserve of the center. Figuratively speaking, we have created a body without a head, and one problem has immediately given us 10 new ones.

As for a republican guard, in my view that question is utterly far-fetched. If the republic is going to have Armed Forces, what is the reason for the guard? Especially in the numbers demanded by some deputies—8,000-10,000 men. They claim that this will be the backbone of the future Armed Forces of Belarus. To me, as a military man, that is completely incomprehensible. The Armed Forces are not a people's volunteer militia [opolcheniye], not a national guard, but regular troops with career officers and the most complex military hardware. Georgia is an example of the sorry experience of creating a national guard. Besides, the republic's budget must not be forgotten. Presently, the budget deficit stands at 5 billion rubles [R]. The republic still cannot clear up the aftereffects of the accident at the Chernobyl nuclear power station and spends over R3 billion a year on that because it suffers most of all. Thus the creation of a republican guard is not advantageous either politically or economically.

[Chernenko] What about a republic defense ministry? Will one be created?

[Privalov] If a republic is sovereign it must unfailingly have its own Armed Forces. And if there is an Army there must also be an organ to exercise leadership. There will be one. Perhaps not a defense ministry. I personally tend more toward a committee on defense affairs.

[Chernenko] The Belarus Supreme Soviet had adopted a resolution on the creation of the Armed Forces. In your view, what will the structure and numerical strength of those armed forces be?

[Privalov] We have already done some studies on those problems. Our premise is that there is no point in building something new while the old still exists. I have in mind the Belorussian Military District. It must form the basis of the republic's future Armed Forces. Of course, we do not need as many divisions as the military district has, especially those that are reduced or understaffed. Most likely the republic will manage with four or five divisions. Why not two or three, you will ask? Such a quantity is in the interests not only of Belarus, but also its neighbors. The republic is now the border post of our entire western sector. We are not talking now about a presumed enemy—the republic has none. It will be good if it never does have one. But nevertheless we must strengthen our defense.

The creation of armed forces is a lengthy process. And if today we have announced their creation, that does not mean that tomorrow they will come into being. In this regard I do not understand the position of the Ukrainian leadership, which is trying to reassign the military districts and the Black Sea Fleet. These are not mere words. There cannot be a casual, amateurish approach to such an important question as the republic's defense, because it is fraught with major negative consequences. Both economically and politically.

[Chernenko] The reassignment of individual military structures to the republic and the creation of its own

Armed Forces are arousing alarm among servicemen of the Belorussian Military District. Officers and NCO's are worried about their future: Will they be guaranteed pensions and housing and will they receive social protection?

[Privalov] I talked about that when addressing a meeting of the authorized representatives of the republics and the leadership of the USSR Defense Ministry and people's deputies in Moscow at the beginning of this month. A law on the social protection of servicemen and members of their families is necessary, very necessary. Without a law it may be that tomorrow we servicemen will be left without social benefits. Yes, tomorrow! That is already happening in the Baltic today. I am sure that this will not happen in Belarus. They have always treated men in uniform with respect and concern here. Now, too, the government is working in this direction. Our commission will strive to ensure that such a law is adopted in the near future.

[Chernenko] Leonid Petrovich, I would like to hear your opinion on the "Belorussian Association of Servicemen."

[Privalov] Unfortunately I was not able to attend the association's first congress and I am unfamiliar with the delegates' speeches. But our commission does have working contact with the organization's chairman, Lieutenant Colonel N. Statkevich. We support many of its undertakings, particularly in the area of servicemen's social protection. At the same time I am bound to make some claims of my own. It is time for the servicemen to leave the trenches, as the saying goes, to go out among people and take an intelligent approach to the problems facing the Army.

[Chernenko] One last question. What is the composition of your commission?

[Privalov] Around 30 people work on the commission. There are representatives of the Armed Forces, the KGB, and the Interior Ministry. There are lawyers, economists, and medical workers. Intelligent people with experience of life and practical work. Thus questions can be resolved competently.

Moldova

Ex-Premier Elected Head of Opposition Faction

OW2510150191 Moscow INTERFAX in English 1115 GMT 25 Oct 91

[Transmitted via KYODO]

[Text] IF's [INTERFAX] correspondent reports from Kishinev that Moldova's ex-Premier Mircea Druc has been elected head of the opposition Popular Front [PF] faction in the republic's parliament.

The PF faction unites nearly 30 of the MPs [members of parliament] and is capable of exerting considerable influence on parliament.

Observers say President Snegur, under whose pressure Mr. Druc once resigned from the premier's post, has acquired a very serious political rival. The parliamentary faction led by Druk is opposed to the holding of presidential elections in Moldova on December 8.

No Candidates Registered for Presidential Post

LD3010125391 Moscow TASS International Service in Russian 1525 GMT 29 Oct 91

[By MOLDOVA-PRESS correspondents Anatoliy Golya and Aleksandr Tanas]

[Text] Kishinev, 29 Oct (TASS)—Not one of the Moldovan presidential candidates, for which elections should be taking place in December, has been registered yet. Vladimir Kiktenko, chairman of the Central Electoral Commission, reported this at a news conference which took place today. To register, candidates have to present 25,000 voters' signatures in support of their candidature, he said. The Electoral Commission chairman noted that 5.3 million rubles have been allocated from the budget to finance the entire pre-election campaign. Moreover, he expressed the conviction that the sum expended will be significantly lower. This is explained by the fact that the sum of expenditure was planned calculating that there will be 10-15 candidates in the republic for the presidential post. So far, only three candidates have been put forward and according to information from the Central Electoral Commission, more new candidatures seems unlikely.

Bank President Announces Currency Plan

OW2910004791 Moscow INTERFAX in English 2138 GMT 28 Oct 91

[From "Soviet Business Report;" transmitted via KYODO]

[Text] The president of the Moldavian Republic's bank, Leonid Tolmach, told INTERFAX on Monday [28 October] that Moldavia's Government has decided to introduce a national currency. The republic plans to begin printing its own money within one year.

Presently, the government is trying to decide what to call the new currency, dukaty or lei. At the same time, the bank's administration has ordered Moldavia's banks to greatly reduce issuing cash money, except when it is needed to buy agricultural products or to pay wages, compensation, or pensions.

Ukraine

Parliament Votes To Close Chernobyl Plant

LD2910155591 Moscow Radio Moscow World Service in English 1500 GMT 29 Oct 91

[Text] On Tuesday [29 October], the Ukrainian parliament voted in principle for the closure of the Chernobyl atomic power station, scene of the world's worst nuclear disaster five years ago.

Local journalists said deputies passed a resolution announcing that the first and third reactors, the only ones still functioning, would be closed down in 1993.

Thirty-one people died in April of 1986 when a huge explosion (?at) the station's fourth reactor sent a cloud of radiation blowing across the Ukraine and Belorussia. A fire earlier this month shut down the second reactor.

The resolution updates a previous parliamentary decision to shut down the plant in phases.

Ukrainian Environment Minister Yuriy Shcherbak told Parliament that the latest resolution was at least a year and half late.

Closure Problems Viewed

PM3010091391 Moscow KOMSOMOLSKAYA PRAVDA in Russian 26 Oct 91 p 1

[K. Belyaninov report: "Chernobyl. End of the Line. Decision Adopted to Close the World's Most Dangerous Nuclear Power Station"]

[Text] In order to effect change it is necessary first to blow something up. The Ukrainian Government and Supreme Soviet were not quite six years in coming to this elementary conclusion.

The Chernobyl nuclear power station had its fair share of emergency situations earlier, but the recent fire in the second block's machine shop was the last straw, when both the apparatchiks' and parliamentarians' patience ran out.

Late last Thursday [24 October] evening the Cabinet of Ministers and the republic's Supreme Soviet commission resolved to close the power station. The decision was adopted unanimously and is not subject to appeal.

A resolution has still admittedly not been adopted. None of the three versions proposed by the government, the Ukrainian Ministry of Power Engineering, or the Supreme Soviet commission for problems associated with Chernobyl, satisfied the deputies. But the fact that the power station was getting to the end of its days is clear to everybody.

"Even if the power station is decommissioned in accordance with all the technical orders, the problem of total unemployment will nevertheless be a fundamental one for Slavutich," Chernobyl chief engineer Viktoriya Butko says. "The government promised to build an instrument plant here, but that will provide only 3,000 jobs. So what can the others do? For three years now no nuclear power station has been built in our country."

"The nuclear power station workers' problems will definitely be mentioned in the resolution," people in the Ukrainian Cabinet of Ministers nevertheless claim. But all the experts agree that they will be by no means the most important items in the document.

According to the most conservative estimates it will take no less than four and a half years to completely decommission Chernobyl. Each block will require 150 tonnes of steam every 24 hours to maintain the necessary mode of operation, and this means that it is necessary to build a reserve boiler house. New burial grounds are needed to bury the fuel (the power station has far from completely exhausted its resources and will go on "smoking" for another 30 years or so). A new sarcophagus is needed over the fourth block.

"The program to decommission the power station was ready in 1986 right after the accident," Vasiliy Lisovoy, a consultant from the parliamentary commission for problems associated with Chernobyl, says, "but the necessary resources—and we are talking about millions—were found neither by the Ryzhkov nor the Pavlov governments. And the situation has simply become critical now: The center no longer exists, all the republics are autonomous and independent, and Chernobyl has turned from being a national tragedy into an exclusively Ukrainian one.

The question as to where the republic will find the 10-15 billions which are very necessary not even for getting rid of the "zone" completely, but for its most basic rehabilitation, remains open as before.

"No one talks any longer about returning to normal utilization of the contaminated lands," Lisovoy maintains. "You see, not one of the proposed technologies has yet been proved. It is better to forget about them for 30 years or so and then take on the task of reburying the waste from temporary burial grounds....

People are more and more often repeating the phrase now that the Ukraine will move toward independence without light: The Chernobyl power station has provided almost 10 percent of the republic's electricity. There is neither the coal nor the gas to start up the 20 thermal power stations which have been temporarily shut down. The Ministry of Power Engineering was on the point of proposing to start up three blocks at the Rovno, Zaporozhye, and Khmelnitskiy stations, which are almost ready, but people in the republic will hardly allow this to be done. Moreover, the Ukraine announced a moratorium some time ago on building new nuclear power stations.

Chernovil, Kravchuk Favored in Presidential Race

OW2910182091 Moscow INTERFAX in English 1710 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] By late October Igor Yukhnovskiy, chairman of the Narodna Rada, a democratic faction of the Ukrainian parliament, garnered the most signatures in Kiev, the Ukraine's capital, in his presidential race: 22,500. (To qualify for nomination, a prospective candidate must collect 100,000 signatures of Ukrainian citizens).

The runner-up is Leonid Kravchuk, the Ukraine's parliamentary leader, with 11,000. Vyacheslav Chernovil, chairman of the Lvov regional council, is in the third place with fewer than 8000 signatures.

Nevertheless, Kravchuk and Chernovil are believed to have higher chances than the other contenders. Having already collected the required 100,000 signatures, they have been officially registered as presidential candidates by the republican Central Electoral Commission. The election date is December 1.

IF [INTERFAX] reports with a reference to sources in the Central Electoral Committee that Kravchuk is easily leading in public opinion polls in southern and eastern Ukraine. As was predicted, Chernovil does not have a match in the west of the Ukraine.

Sixth Candidate Announced

OW3010005491 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Leopold Taburyanskiy, a member of the Ukrainian People's Party, today (Tuesday) became the sixth person to register his candidacy for elections to the Ukrainian presidency.

Born in 1940, he now lives in Dnepropetrovsk. He has two higher education qualifications, as a electrician and an economist. Taburyanskiy is a Ukrainian Peoples' Deputy and is president of the "Olymp" syndicate, a private enterprise manufacturing wheelchairs.

"My first presidential decree" he said, "will be to ban the production of all weapons on Ukrainian territory and divert the funds to the funds to agriculture and the production of consumer goods. I will immediately bring in laws on privatisation, the land issue and denationalisation".

Kravchuk Meets Bavarian Official

LD2910204491 Moscow TASS International Service in Russian 1710 GMT 29 Oct 91

[By UKRINFORM correspondent Anatoliy Grigoryev]

[Text] Kiev, 29 Oct (TASS)—"The Ukraine will never be a militaristic state," said Leonid Kravchuk, chairman of Ukrainian Supreme Soviet, today, receiving Wilhelm Forndran, president of the Bavarian Landtag. The latter arrived in Kiev yesterday on a "Lufthansa" plane, with which this German airline company opened a regular air route between Frankfurt-on-Main and the Ukrainian capital.

Answering a question from the guest on the Ukrainian position on problems of creating a national Armed Forces and its attitude to nuclear weapons deployed on its territory, Leonid Kravchuk stressed that reports on this subject that had appeared in certain Western news media contradict documents adopted by the Ukrainian parliament. "Our position is absolutely clear," he said. "We do not aspire to take on ourselves the control of nuclear weapons." Leonid Kravchuk noted that the Ukraine favors the destruction of strategic and tactical nuclear weapons and is against the movement of them through its territory. In his view nuclear weapons should be under common and unified control. However, in connection with the fact that they are on Ukrainian territory right now, the republic takes on itself the responsibility to see that these weapons are not used by anybody against the wishes of all mankind.

The sides noted with satisfaction that the visit this year by the head of the Ukrainian parliament to united Germany, and his meetings and talks with FRG and Bavarian leaders, gave a noticeable impetus to the further development of mutually beneficial Ukrainian-German cooperation.

Kravchuk Comments on Treaty With Uzbekistan

LD2910175291 Kiev Radio Kiev in English 0100 GMT 29 Oct 91

[Excerpts] Today, Leonid Kravchuk visited Tashkent, capital of Uzbekistan, where a treaty was signed on the foundations of mutual relations between Ukraine and Uzbekistan. [passage omitted]

A number of important documents were signed. The main one is a treaty on the basis of mutual relations between Ukraine and Uzbekistan. Here is how the head of our delegation, Chairman of the Supreme Soviet of Ukraine Leonid Kravchuk, evaluated this treaty:

[Kravchuk, in Ukrainian fading to English translation] The treaty confirms that a state concludes a treaty with another state and it is completely independent in its actions. We proceeded from our possibilities and the principle that only an independent state can sign agreements with other states. The text of the treaty fully supports the principle of independence and statehood but it also has concrete parameters without which it would have no value.

The treaty is backed up by economic agreement. They should be viewed together and on this basis alone can we stabilize the present-day situation. Ukraine is not against

participation in a single economic state, it only wants that the demands it advances must be met. And we have two such demands: Ukraine cannot lose its independence and its sovereignty because of the center, and the second, Ukraine will never take part in political alliances if this would lead to the strengthening of a new, maybe even the newest, but still center [as heard], because I'm deeply convinced the center is being created not for meeting the interests of the republics, it is being created to meet its own interests.

[Announcer] And now more details about the contents of the inter-state treaty siged by Ukraine and Uzbekistan. It stresses complete mutual trust of the sides. Uzbekistan puts on our republic obligations to represent its interests at the United Nations organization until consulate missions are established.

Also very important are other political aspects of the treaty. The leaders of the two republics gave a positive assessment of their mutual action in the solution of the issue of the Crimean Tatars who are currently returning from Uzbekistan to their historical motherland, the Crimea, from where they were forcibly resettled upon Stalin's order.

The treaty also registers the interest of Ukraine and Uzbekistan to help each other in the solution of acute ecological problems.

The economic agreement backing up the treaty envisages the priority of direct economic ties between the enterprises of the two republics, active participation of Ukraine and Uzbekistan in joint large-scale projects in the sphere of the investment policy, speeding up market relations.

In other words, the document signed in Tashkent today is really a qualitatively new level of inter-state relations of the former Union republics which consider themselves equal partners.

Ukraine Missile Misfires; Soldiers Injured

OW2910174791 Moscow INTERFAX in English 1710 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] A live ground-to-air missile was launched by mistake from an air-defense base in Svedtlovodsk district of Kirovograd Region, the Ukraine. The missile travelled 800 metres and exploded at a crossroads (one of the roads leads to the city of Kremenchug). The missile's fragments flew 150 metres and injured several soldiers, not no civilians suffered. [as received]

IF [INTERFAX] reports that a group of deputies of the district council where the missile landed said they would press for the air-defense base to be relocated.

Diplomats Demand Closure of Consulate Service

OW3010004391 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Heads of all consulates-general in Kiev addressed a letter to Anatoliy Zlenko, the Ukrainian foreign minister, demanding that the department servicing the consulates be scrapped. According to the foreign diplomats, the department is a holdover of the old system; it was set up to supervise the diplomatic corps, and it has monopolized servicing the consulates (it mediates in renting apartments for diplomats, buying transport tickets, and repairing motor vehicles—and charges up to 30% of the cost of work as commissions).

Center 'Downgrades' Economy To Prevent Secession

OW3010005391 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Vladimir Pilipchuk, chairman of the Ukrainian Supreme Soviet's standing commission for economic reform, told INTERFAX that the Union Statistics Ministry made it a point to downgrade the Ukraine's economic statistics in the central mass media. According to Pilipchuk, the objective is to tie the republic to the Union.

According to Pilipchuk, Ukrainian farmers have a labour productivity that is twice as high as that in the other ex-Soviet republics. The Ukraine accounts for 46% of the Union agricultural output, not 22.5% as the Union Statistics Ministry reports, and for 26%, not 16%, of the total industrial output in the USSR.

Republic Claim to Black Sea Fleet Rebutted

PM2910133191 Moscow PRAVDA in Russian 29 Oct 91 p 1

["Commentator's Opinion" by PRAVDA military commentator Vasiliy Izgarshev: "Black Sea or Ukrainian Fleet?"]

[Text] Ukrainian Supreme Soviet Chairman Leonid Kravchuk recently visited the Red-Banner Black Sea Fleet's main base, Sevastopol, city of Russian glory. There he met the labor collective of the "S. Ordzhonikidze Naval Plant" Association and seamen. The Ukrainian leader's speeches unequivocally demanded that current borders between the sovereign republics which recently made up an indissoluble Union—particularly those between Russia and the Ukraine—remain unshakable.

Is it clear what is at issue? Needless to say, it was primarily a question of the Crimea, which, Kravchuk said, must remain part of the Ukraine since 90 percent of the peninsula's economic ties are with Ukrainian enterprises. The second important demand in the Ukrainian

presidential candidate's speeches is for the Ukraine to set up its own Armed Forces numbering roughly 450,000 men. A considerable force, is it not? It will be the second-biggest army in Europe after the Soviet Army.

There was no mention in Sevastopol on this occasion of Black Sea seamen having to sail under the yellow and blue flag; on the other hand many current Ukrainian leaders in Kiev and Lvov and other cities large and small are by no means hiding their plans to incorporate three military districts—the Kiev, Odessa, and Carpathian Military Districts—plus the Black Sea Fleet into the Armed Forces. With all their garrisons, units, property, arms, munitions, and so on.

Admittedly some leaders, Kravchuk among them, make one stipulation regarding strategic nuclear forces. They say that these forces must be held in just one pair of hands and that the Ukraine has no aspirations to control them.

The statements are all very well, but the real intentions and actions are, regrettably, a total mystery to us. Moreover, the Black Sea Fleet is not armed with guns and torpedo apparatus alone. And they want to transfer it in its entirety to the republic's Armed Forces.

K. Morozov, the Ukraine's defense minister and a new three-star general (admittedly, the USSR Defense Ministry Main Cadre Directorate knows about the Ukrainian Supreme Soviet's awarding Morozov the rank of "colonel general," but in his file he is listed as aviation lieutenant general—he was recently awarded this rank by decree of the USSR president), is demanding reports from the Black Sea Fleet commander as if he were his subordinate. Admiral Igor Kasatonov, the fleet's new commander, rightly thinks that the Black Sea Fleet inherits the traditions of the Russian Fleet; it was created by the entire country rather than an individual republic and is now based in three republics.

However, some national leaders' ambitious endeavors to rule and be masters of the seas by no means conform to common sense. Their ambitions stem from the fact that the Ukraine has shipbuilding and ship repair industries. However, the Ukraine's shipyards and docks were also built by the whole Union. The main point is that no ship is the product of one specific shipyard alone. The hull is riveted in Nikolayev, for instance. But who made the insides? Whose are the turbines? Whose are the navigation instruments? Whose, for instance, are the missiles, torpedoes, shells, and mines? Without these things and much else besides no ship can exist as a fighting unit of the fleet.

One more point. All the fatherland's fleets on all its seas have been Russian from time immemorial. That is how things have developed. It was not hetmen and kings who put squadrons and flotillas on the waters, but the rulers of Russia, starting with the founder of the Russian Fleet, "Mr. Bombardier" Peter the Great. Incidentally, why not build a new warship bearing that name for the Navy—in honor of the Russian Fleet's impending 300th anniversary? Built with people's donations. If that proposal meets with a response in the hearts of PRAVDA's readers, please reply.

We have regrettably done a great deal—some people through foolishness, others by malicious design, and others still simply put of a mind to smash, destroy, and reorder—to put our great country further back in many areas. We are now tearing apart without a qualm the bastion of might and independence—the Union Armed Forces—by dividing them into national barracks. Yesterday they cemented our unity. Quite recently, after doing their period of active service, Russians took their leave of Georgians, Ukrainians, and all their other service companions, now demobilized, like brothers, with tears and embraces.

What has happened to you people now? Barrackroom "kinship" has proved more terrifying than "hazing."

All the same you cannot help clinging to the belief that the infantile disorder of sovereignization will not develop into a long epidemic in our country! Neither we ourselves nor the world, gazing with unconcealed alarm at the dangerous interethnic "breakups" that have even gripped the Army and Navy, can reconcile ourselves to combat units and ships changing their combat flags and banners at the whim of ambitious, bumptious people.

Business Circles Hold Talks in Leipzig

LD2910125291 Kiev Radio Kiev in English 0100 GMT 29 Oct 91

[Text] The first meeting of business circles of the FRG and Ukraine continued for two days in Leipzig. Representatives of 150 enterprises, commercial firms, and foreign trade organizations of the republic, with the assistance of the Ukrainian Chamber of Commerce and Eastern Committee of German Economy of the Leipzig Fair Association had the opportunity to discuss the possibilities of the Ukrainian economy and receive firsthand information on the export possibilities of potential partners.

Armenia

Chairman Ter-Petrosyan's Activities Detailed

Emphasizes Ties With Iranian Envoy

NC2910184991 Yerevan ARMENPRES International Service in Armenian 1215 GMT 29 Oct 91

[Text] On 28 October Levon Ter-Petrosyan received a delegation from Iran's Buniad-e Mostahzafan va Dzhanbazan Fund [name as received], led by Zareh Mirakabad, its envoy and chairman of the organization for utilizing mines.

Ter-Petrosyan detailed the Armenian authorities' position on foreign policy, saying conflict between Armenia and Azerbaijan did not emanate from religious differences, and that the problem of Nagorno-Karabakh is merely one of protecting local Armenians' civil rights.

Reiterating interest in establishing comprehensive economic, cultural, tourism and other relations with Iran, Ter-Petrosyan noted Armenia's readiness to establish normal relations with all her neighbors, and that practical steps are already being taken.

Mr. Mirakabad congratulated Ter-Petrosyan on his election to president, before detailing activities of Mostahzafan va Dzhanbazan, Iran's largest foundation. He also noted Iran wants to establish close relations with Armenia.

Meets Nuclear Energy Agency Head

NC2910173491 Yerevan ARMENPRES International Service in Armenian 1215 GMT 29 Oct 91

[Text] President Ter-Petrosyan on 28 October received Lord Marshal, president of the international agency supervising the use of nuclear power plants. Marshal is a former British minister of nuclear energy.

Ter-Petrosyan said that the energy problem is our most distressing problem since the closure of the Armenian nuclear plant. Because the plant is located in a densely populated area, it is no longer a mere economic problem; it has become a political issue. It is not surprising that the Supreme Soviet has decided to resolve the issue of the plant's operation through a referendum.

Mr. Marshal said that he does not believe that Armenia can surmount its present economic backwardness without using nuclear energy. The world wants to help Armenia. Technical and professional assistance from Europe, the United States, and Japan could be exceedingly helpful in examining the possibility of operating the nuclear power plant. Marshal said it would only be appropriate to hold the referendum after concluding feasibility studies and receiving the international supervisory commission's conclusion.

Supreme Soviet To Join Interparliamentary Union

LD2910151991 Moscow TASS in English 1502 GMT 29 Oct 91

[By TASS correspondent Tigran Liloyan]

[Text] Yerevan October 29 TASS—The Supreme Soviet of Armenia is planning to join in the interparliamentary union.

"The presidium of the republic's Supreme Soviet considered it expedient Armenia take part in this non-government organisation," reported the Armenian parliament press center today.

The interparliamentary union unites national parliamentary groups from 113 states and stands for strengthening personal contacts among members of parliaments, for their joint peace making activity. The Supreme Soviet of Armenia has taken a decision to address this union for familiarising itself with the admittance terms.

After proclaiming its independence on September 23 this year Armenia has already applied for entry to the United Nations and UNESCO, announced its becoming a party to the UN treaty on non-proliferation of nuclear weapons, the pact on civil and political rights, as well as to all the documents of the Conference on Security and Cooperation in Europe.

Azerbaijan

'Wave of Violence' Reported in NKAO

LD3010112891 Moscow TASS International Service in Russian 0850 GMT 30 Oct 91

[By TASS correspondent Vadim Byrkin]

[Text] Stepanakert, 30 Oct (TASS)—There is no end to the wave of violence that has swept Nagorno-Karabakh. The past few days have brought another three deaths. According to data from the office of the commandant of the state of emergency zone, one of the dead is a resident of Stepanakert who died yesterday under fire from the Azerbaijani village of Kirkidzhan. Two others were killed in the evening in the Armenian villages of Ovsepavan and Mekhtishen in Askeranskiy Rayon by a group of unknown people who then drove 140 cows from the livestock farm in the village of Mekhtishen to the Azerbaijani settlement of Khodzhally.

On Tuesday in Nagorno-Karabakh, an AN-2 aircraft belonging to Evlakhskiy air division of the Azerbaijani Civil Aviation Directorate was lost. As a TASS correspondent was told by the residents of Khanabad Village in Askeranskiy Rayon, close to where the accident happened, the aircraft flew into a rockface in thick fog. According to the Nagorno-Karabakh Autonomous Oblast [NKAO] Internal Affairs Directorate, three people on board died. An investigation is under way.

28 Oct Shooting Detailed

LD2910165391 Moscow TASS International Service in Russian 1517 GMT 29 Oct 91

[By TASS correspondent Vadim Byrkin]

[Excerpt] Stepanakert, 29 Oct (TASS)—The rayon center of Martuni and the nearby settlement of Khodzhavend in Nagorno-Karabakh saw fighting yesterday. According to a report from the office of the commandant for the rayon covered by the state of emergency, there was sporadic firing during the day from automatic weapons and grenade launchers while in the evening both sides used missiles as well. The shooting left three dead and three injured. There has been no shooting since this morning but the situation in the rayon remains extremely tense. [passage omitted]

New Commander Begins Work

OW2910181391 Moscow INTERFAX in English 1710 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Major-General Nikolay Zhinkin of the Interior Ministry forces has taken up his new post as commander of the State of Emergency area in Nagorno-Karabakh [Autonomous Oblast, NKAO] and the surrounding regions of Azerbaijan. He replaces Major-General Boris Maksin who had held the post since the middle of August.

"INTERFAX" has learnt from confidential sources that the change of commanders took place half a month earlier than the planned three-month period was due to expire because the Azerbaijani authorities were dissatisfied with the position of General Maksin. According to one of the officers of the commandant's office one of the principal causes of Gen. Maksin's removal was his refusal to detain about 250 Armenians for whom arrest warrants had been issued by the Azerbaijani prosecutor-general.

Supreme Soviet Adopts Appeal on Recognition

LD2910230691 Moscow TASS International Service in Russian 1550 GMT 29 Oct 91

[By AZERINFORM correspondent Anar Kadirli]

[Text] Baku, 29 Oct (TASS)—The second session of the republic's Supreme Soviet resumed work today with the adoption of an appeal to the United Nations and to states in the world and sovereign republics of the USSR on the recognition of Azerbaijan as an independent state.

In the view of deputies such a step by the world community could become decisive in order to realize the striving of the people of Azerbaijan for freedom and democracy and to implmement deep social and economic reforms.

The draft law, adopted on 16 October in the first reading, on the creation of a national council of the Azerbaijani Republic, caused sharp discussion at the session. The new permanently functioning body is intended to take the place of the present parliament in the transitional period up to holding elections to the republic's Supreme Soviet on a multiparty basis. A number of deputies are continuing to speak out against its formation. Discussion of the status and powers of the future council also caused sharp clashes.

Joint Communique With Italy Noted

LD2910214791 Moscow TASS International Service in Russian 1640 GMT 29 Oct 91

["Joint Communique"—TASS headline]

[Text] [no dateline as received] Gasan Gasanov, prime minister of the Republic of Azerbaijan, was received in the Chigi Palace by Senator Giulio Andreotti, chairman of the Council of Ministers of the Italian Republic. A deep exchange of opinions took place on the state of cooperation between Italy and Azerbaijan and on prospects for further development of this cooperation.

During the meeting and the exchange of opinions, which took place within the framework of relations envisaged by the treaty on friendship and cooperation signed by Giulio Andreotti and Mikhail Gorbachev, president of the USSR, on 18 November 1990, the heads of governments expressed the intention to promote the creation of most favorable conditions for trade, economic, scientific, and technical exchanges, which would be in keeping with the interests of the two sides and assist economic reforms in the Azerbaijan Republic on a market basis.

During the visit to Italy the Azerbaijan prime minister met with Carlo Bernini, the minister of transportation; in the Ministry of Industry; and also with representatives of Italian industrial and financial circles.

Rome, 29 October.

Georgia

Hostages Released in Tskhinvali Following Talks

LD2910141191 Moscow TASS International Service in Russian 1225 GMT 29 Oct 91

[By TASS correspondent Vladimir Gondusov]

[Text] Moscow, 29 Oct (TASS)—Twelve Ossetian and two Georgian hostages who were seized on 26 October have been freed following negotiations with the leaders of informal armed groups, a TASS correspondent was told today by the USSR Ministry of Internal Affairs Internal Troops flying squad. The whereabouts of the staff of the Tskhinvali town Internal Affairs Department who disappeared on 16 October are being established.

According to USSR Ministry of Internal Affairs data, the situation in Tskhinvali remains difficult. The opposing sides are continuing to exchange fire at the approaches to the town, especially in the evenings. On Sunday Georgian fighters fired on a vehicle carrying internal affairs troops. One of the officers was wounded.

Gamsakhurdia Stresses Fight for Independence

LD2910203191 Moscow TASS International Service in Russian 1902 GMT 29 Oct 91

[By Tass correspondent Albert Kochetkov]

[Text] Tbilisi, 29 Oct (TASS)—Despite the fact that "now we are experiencing economic and political difficulties... the republic's leadership and the entire Georgian people are ready to fight to the end, to complete victory, until the recognition of our national independence." This was stated on Monday evening [28 October] by Zviad Gamsakhurdia at a meeting with journalists.

According to the Georgian president, the representatives of other nationalities living in the republic are "citizens with equal rights, our countrymen, and they will enjoy equal rights in the free Georgia of the future."

Zviad Gamsakhurdia denied rumors that the leadership of Georgia is playing the "Chechen card," in connection with the events in the north Caucasus. "As for any interference on our part, military assistance or other help, that is ruled out because we are only expressing solidarity and supporting the idea of the struggle for independence and liberty," he declared.

Describing his relations with Russian President Boris Yeltsin, the head of the Georgian Republic called them "good, but now rather indeterminate, since the Russian Federation's position on the question of the so-called South Ossetian Autonomous Republic is not quite clear."

In conclusion, Zviad Gamsakhurdia expressed confidence that the present difficulties being experienced by the republic would disappear after Georgia acquires liberty and complete separation from the Soviet Union.

Advisor on Interethnic Questions Appointed

AU2910135391 Tbilisi SVOBODNAYA GRUZIYA in Russian 19 Oct 91 p 1

["Decree of the President of the Republic of Georgia on the Appointment of G.S. Gachechiladze as Advisor to the President of the Republic of Georgia" issued in Tbilisi on 18 October]

[Text] To appoint Giorgiy Semenovich Gachechiladze as advisor to the president of the Republic of Georgia on questions of interethnic relations.

[Signed] Zviad Gamsakhurdia, president of the Republic of Georgia

[Date] Tbilisi, 18 October 1991.

Abkhazian Supreme Council Elections Reported

AU2910134391 Tbilisi SVOBODNAYA GRUZIYA in Russian 17 October 91 p 1

[Report by Tengiz Pachkoriya, SVOBODNAYA GRUZIYA correspondent: "The Second Round of Elections in Abkhazia"]

[Text] On Sunday, 14 October, the second round of elections to the Supreme Council of Abkhazia took place. In 14 electoral districts, a repeat vote was held, because during the first round on 29 September, none of the candidates received the required number of votes. In every one of these districts, the electoral marathon was continued by those two candidates who had received the largest number of votes during the first round of elections.

All candidates for deputies and, naturally, representatives of various sociopolitical parties and organizations with an interest in their victory, were quite active during the preparation for the second round of elections. On 13 October, there were many observers at the polling stations. At some of them, isolated and insignificant violations took place. In particular, there was an attempt to conduct the campaign for particular candidates on the day of the elections. The observers, members of the electoral commissions, and representatives of law enforcement organs stopped the "campaign" whenever they could do so and eliminated other insignificant violations, as well.

The activity of the voters was high in the town of Sukhumi (the repeat vote there was conducted in three districts), in the Ochamchira Rayon (the repeat vote was held in two districts), in the Gulripshi Rayon (the vote was also conducted in two districts), and in six electoral districts of the Gali Rayon.

The second round of elections named another 14 deputies to the Abkhazian Supreme Council. Thus, 52 deputies to the Supreme Council of Abkhazia have already become known. However, the parliament of the autonomous republic will be brought up to its full strength after 1 December 1991, when elections will be held in those 12 electoral districts where, on 29 September, less than one-half of the voters were reported to take part in the elections, and where the elections were declared invalid. In accordance with the law, new elections were ordered in those districts.

So far, the results of the first round of elections for electoral district No. 17 in the town of Gagra have not been published yet, and additional verification is under way there.

Many people in Abkhazia are now raising the following question: Will the new composition of the Abkhazian

Supreme Council be able to resolve the political and economic questions that are facing the autonomous republic?

The results of a small sociological opinion poll conducted by correspondents of the newspaper RESPUBLIKA ABKHAZIYA (an organ of the Abkhazian Supreme Council) on the day of the elections are of interest. The journalists asked the respondents (voters) to express their opinions regarding the work of the future Abkhazian parliament. In the opinion of 42 percent of the participants, the Abkhazian Supreme Council is capable of resolving the political and economic problems facing the republic, 25 percent answered negatively, and the rest found it difficult to give any answer at all.

Of course, it is not worth generalizing the data from this small sociological poll or, moreover, drawing any hasty conclusions from it. It must be pointed out that representatives of various parties and organizations pin great hopes on the new composition of the Abkhazian Supreme Council and hope that the new Abkhazian parliament will consolidate all the healthy forces in society and will promote the restoration and strengthening of the ideas of mutual understanding and brotherhood, the rich and ancient traditions of the Abkhazian and Georgian peoples and of all the peoples that make up the population of Abkhazia today.

Kazakhstan

Nazarbayev Pays Visit to UK for Talks

Meets British Leaders, Thatcher

LD2910190791 Moscow TASS in English 1808 GMT 29 Oct 91

[By TASS correspondent Vladimir Voronkov]

[Text] London October 29 TASS—The deteriorating situation in the USSR, which may eventually become explosive, as well as the need for resolute and properly coordinated efforts by the republican authorities and for concerted Western aid to resolve the food problem were discussed today during the morning meetings between Kazakhstan's President Nursultan Nazarbayev and British political leaders and businessmen. Nazarbayev is currently on an official visit here.

An agreement was reached during his talks with Jacques Attali, president of the European Bank for Reconstruction and Development, set up to aid east European nations. It envisages concrete steps to promote cooperation. Representatives of this financial establishemnt will come to Kazakhstan within the next few months in order to assess the situation on the spot, to determine the forms and character of future interaction. Attali told journalists that he was able to get an answer to one of the main questions: He was told that Western aid should be granted to the republics directly. Attali will also visit Alma-Ata next year.

Leader of the British Labour Party Neil Kinnock was informed about the difficult food situation in the republics. The Kazakh president stressed that many Western statesmen underestimated the gravity of the situation, which may become critical if no way is found to render effective aid. Lack of corresponding measures within the country or from abroad may produce an even worse situation than during the August putsch or now in Yugoslavia.

The dialogue started in Alma-Ata was continued during Nazarbayev's meeting with ex-premier Margaret Thatcher. The sides discussed most scrupulously the basic provisions of the economic community treaty. Thatcher particularly stressed the need for anti-inflation measures in order to stabilise the rouble as quickly as possible. Turning to the international situation, she stressed the important role of individuals in world history, on whom the lives of millions of people depend to a considerable extent. She believes there are now five or six very important and influential politicians in the world, including Nazarbayev. "I have faith in him," Thatcher told journalists, "and I am in accord with everything he is doing in Kazakhstan."

Holds Talks With Major

LD3010091891 Moscow TASS International Service in Russian 2305 GMT 29 Oct 91

[By TASS correspondent Aleksandr Sisnev]

[Text] London, 30 Oct (TASS)—President of Kazakhstan Nursultan Nazarbayev, who is in Great Britain on an official visit, held talks with British Prime Minister John Major on Tuesday.

In the course of the meeting the international situation, the Soviet Union's future, Western aid to the cause of carrying out reforms in the USSR, and Great Britain-Kazakhstan relations were discussed. The sides welcomed the changes taking place in relations between the West and the Soviet Union, which are currently based on cooperation and not on confrontation. It was recognized that a new partnership should be created on such a foundation. It should be based on such values common to mankind as peace, democracy, and respect for human rights. Major informed Nazarbayev about the aid that Great Britain, the EC, and their partners in the economic summit are giving to assist the process of reforms in the Soviet Union. Nazarbayev familiarized the prime minister with the measures taken by his government to attain economic liberalization in Kazakhstan. In view of both sides, Western aid may play an important role, but it will yield long-term benefits only if it is accompanied by profound reforms in the Soviet Union, including the reduction of defense expenditure.

Major and Nazarbayev accepted the fundamental importance of human rights, including respect for the rights of national minorities. They also agreed to encourage the establishment of individual contacts, by allowing citizens of Great Britain and Kazakhstan to fulfill the right to travel freely. They expressed hope for future development of relations in the areas of culture, art, science, education, environmental protection, sports, information, and tourism.

Major and Nazarbayev believe that developing trade between Kazakhstan and Great Britain is very important. Joint ventures and investment from outside will play a very important role in developing the enormous natural resources of Kazakhstan. Both sides agreed to encourage the activity of such enterprises. Major promised the Kazakh republic resources from the technical cooperation "know-how" fund.

Discusses Nuclear Arms With Hurd

LD3010091691 Moscow TASS International Service in Russian 2155 GMT 28 Oct 91

[By TASS correspondent Vladimir Voronkov]

[Text] London, 28 Oct (TASS)—"We are hauling in the line without knowing what is on the other end of it" is the phrase often used by representatives of British business circles trying to set up cooperation with republics that once belonged to the Soviet Union, recalled British

Foreign Secretary Douglas Hurd at a meeting here with President of Kazakhstan Nursultan Nazarbayev.

The head of the republic noted that trade and economic cooperation should primarily be at the level of sovereign states that independently determine their foreign and domestic policies. Nevertheless, this in no way excludes direct international contacts between businessmen on both sides.

Answering a question from the British minister concerning control over nuclear weapons on the territory of Kazakhstan, Nazarbayev stressed that this control can be exercised only by the center, by a single body, which would include representatives of military departments of all republics that have such arsenals. It is of particular importance that the same view is held by the leaders of Russia, the Ukraine, and Belorussia.

As for the future of the country, the president of Kazakhstan said that its cementing principle is now a treaty on an economic community, the foundation for which was laid at the Alma-Ata meeting. He announced that the main idea of forming a single economic space will be further developed in the very near future. There will be a session of the State Council at the beginning of November to set up an interrepublican coordinating committee.

During the first day of his official visit to Great Britain Nazarbayev met Peter Lilley, secretary of state for trade and industry. The two believe that the time has come to move from general accords to specific programs for cooperation. The president of Kazakhstan emphasized that it will now be more expedient for Western companies to deal not with ministries that no longer directly oversee the work of enterprises but with the producers themselves and with newly formed commercial structures.

One of the most important spheres for business cooperation is in financial and economic matters, so Nazarbayev spent a large portion of his first day in London in talks with the heads of leading banks. This was due to the fact that some of them are involved in expert studies on plans for assimilating deposits of hydrocarbonaceous raw material in western Kazakhstan. At a meeting with representatives of Al-Baraka, Barclays, and Morgan Grenfell, there was talk of the need for cooperation in finance on a long-term basis. This concerns investments in particular. Industries processing raw materials and agricultural output could be among the first to be targets for advantageous investment. The sides discussed possibilities for financial cooperation in the process of privatization now gaining speed in Kazkhstan. The heads of financial institutions showed great interest in establishing and developing an independent banking system for the republic and its future integration into the world economy.

'State Committee for Defense' Established

PM2910143791 Moscow PRAVDA in Russian 28 Oct 91 p 1

[Untitled report from PRAVDA-TASS column]

[Text] By decree of Kazakh President N. Nazarbayev the Kazakh Soviet Socialist Republic State Committee for Defense has been set up with a view to safeguarding the republic's independence, territorial integrity, defense and other vitally important interests.

Chimkent Oblast Releases Soviet Chairman

LD2610102591 Alma-Ata Kazakh Radio Network in Kazakh 1600 GMT 23 Oct 91

[Text] Today a session of the Chimkent Oblast Soviet of People's Deputies took place which examined an organizational matter. Tereshchenko was released form his duties as chairman of the oblast soviet in connection with his confirmation as prime minister of the Kazakh Soviet Socialist Republic [SSR].

At the proposal of Nursultan Abish-Ogly Nazarbayev, president of the Kazakh SSR [Soviet Socialist Republic], who took part in the work of the session, Orundubayev was elected chairman of the oblast soviet. He had been working as chairman of the Chimkent Oblast Soviet Executive Committee.

Bektursunov was elected chairman of the Oblast Soviet Executive Committee, who had been working as chairman of the Kengtau town soviet of people's deputies. At the session Tereshchenko delivered a speech.

Kyrgyzstan

President Holds Washington News Conference

LD2710145891 Moscow TASS International Service in Russian 0345 GMT 26 Oct 91

[By TASS correspondent Igor Barsukov]

[Text] Washington, 26 Oct (TASS)—An economic community, for which a treaty was signed in Moscow, is needed so that its participants can be integrated into the world economy more easily. This was stated here on Friday by Askar Akayev, the president of Kyrgyzstan, at a news conference devoted to the results of his visit to Washington. A. Akayev noted, that out of inertia, the world community would like to have relations with some sort of union. Therefore the economic community of republics for us is a basic instrument for cooperation with the world economic community.

The USSR economy, he said, is now "on the edge of an economic abyss". There is a serious threat of hyperinflation. If in the next few months our country is unable to strengthen the exchange rate of the ruble, then the republics will be forced to introduce their own national currencies. There is no other way, because the ruble

exchange rate varies between the different republics at the moment. "And as the republics providing raw materials, we suffer more than most," emphasized the president of Kyrgyzstan.

Replying to a question, he noted that Kyrgyzstan does not have nuclear weapons on its territory, but it doe produce components for them—in particular, uranium. "In the interests of world security, nuclear weapons should be under single control, in the hands of M.S. Gorbachev, the president of the Union," stated A. Akayev.

He emphasized that the main aim of his meeting with U.S. President George Bush was to state that Kyrgyzstan "has firmly undertaken to adopt the course of building a society based on a democratic model," and to receive the moral support of the American President. "I have received this," said A. Akayev.

Speaking about the situation in Kyrgyzstan, A. Akayev noted that over the last year, a peaceful, democratic revolution has taken place in the republic. Democratic forces have come to power which have defined their policy as being a fight against any sort of totalitarianism, first and foremost against totalitarianism of the state; unrestricted involvement in the development of private interests, private property, and private life; and a confirmation of moral basics based on religious teachings—Muslim, Christian, Buddhist, as well as opposition to any sort of fanaticism, be it Communist or religious, the formation of new social forces in the guise of the entrepeneurial class and the peasant farmer class. On the basis of this the democratic forces want to see a transition to real political pluralism as well as civil peace and inter-ethnic accord.

The president of Kyrgyzstan noted that as a result of the decisive measures taken, it has been possible to "significantly" reduce the tension in inter-ethnic relations in the republic. Today, we are the first republic in the Soviet Union to draw up and submit to parliament a law on defending the rights and freedoms of ethnic minorities in the Republic of Kyrgyzstan, said A. Akayev.

The economy of Kyrgyzstan is encountering exactly the same problems as those being encountered throughout the Soviet Union, noted A. Akayev. But the republic has every chance to resolve these problems: natural resources, and now, a legislative basis for carrying out radical economic reforms and a specific program for their implementation. "And I hope, that within the next two or three years we will completely cure our economy," he emphasized. For our economy to pick up, we need help from the leading economic powers connected with investment and new technology, but "only on a mutually beneficial basis". The Kyrgyz president reported that a law has been adopted in the republic about foreign investment which is the most beneficial in the Soviet Union, and other measures have been taken which have already attracted the attention of many foreign companies, including American ones.

Supreme Soviet Official Returns From Iran

No Plans To Join Islamic Groups

OW3010004991 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] Kyrgyzstan does not plan to join any international Islamic organisations, said Medethan Sherimkulov in a Tuesday interview to INTERFAX in the city of Bishkek. Sherimkulov lately paid a visit to Tehran where, at the invitation of the Islamic Consultative Assembly, he had participated in a conference with a number of Arab and other Muslim countries that discussed a possible settlement in the Middle East.

According to Sherimkulov, the visit was intended to give him background information and to clarify prospects as regards the establishment of direct economic ties with Iran. According to the Kyrgyz parliamentary leader, forging such ties is by no means a concession to the forces that are seeking a higher profile for Islam in the republic. Islamic fundamentalism has no soil to strike roots in within the republic, emphasized Sherimkulov.

Met Afghan Resistance Leader

OW3010005291 Moscow INTERFAX in English 1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] According to INTERFAX, Sherimkulov, who paid a recent visit to Tehran, met with Rabbani, a leader of the Afghan armed opposition. Among other issues, the talks covered the issue of Soviet Kyrgyz prisoners being held by the rebels, and the parliamentary leader said that he was prepared to fly to Afghanistan to negotiate their release.

It has been announced that Rabbani would shortly arrive as head of an Afghan rebel delegation to Moscow to negotiate the prisoners issue with the Soviet and Russian Foreign Ministries.

Bishkek Congress Sets Up 'People's Unity' Party

PM2810153191 Moscow PRAVDA in Russian 28 Oct 91 p 1

[Untitled report from PRAVDA-TASS column]

[Text] The first constituent congress of the new "People's Unity" democratic movement ended in Bishkek with the creation of its organizational structures. Roughly 400 delegates from all corners of Kyrgyzstan discussed the movement's program and statutes.